

USAID/EGYPT

RESULTS REVIEW AND RESOURCE REQUEST FY 2000

March 1988

**Note:**

Non-text files (e.g., spreadsheets, charts, maps, etc.)  
have been appended at the end of the document

**USAID/EGYPT**  
**RESULTS REVIEW AND RESOURCE REQUEST FY 2000**  
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## **USAID/EGYPT FY 2000 R4**

### **SUMMARY OVERVIEW**

The U.S.-Egyptian relationship is founded on a shared strategic vision for the region and a mutual commitment to the peace process and fulfillment of the Camp David Accords. The pillars of the relationship are expanding cooperation in strategic security affairs, regional political coordination and economic-commercial ties. U.S. support of Egypt's economic viability remains an important element in maintaining this bilateral relationship. Increasingly, the focus of U.S. assistance is on "aid to trade" as Egypt's economy develops and its importance as an emerging market increases.

Over the past year Egypt has taken important steps to liberalize its economy, improve its enabling policy environment, and strengthen key social and economic institutions. Substantial progress has been made on a number of reforms vital to ensuring that Egypt continues to strengthen its role in the global economy. The U.S.-Egyptian Partnership for Economic Growth and Development has been an important venue for furthering the policy reform dialogue among high-level U.S. and Egyptian officials and private sector representatives from both countries. USAID assistance is supporting Egypt's economic transition and helping establish the sustainable social services that are vital for improving the quality of life and economic well being of the Egyptian people.

The U.S.-Egyptian relationship is evolving as Egypt's transition progresses. Private investment and trade relationships are becoming increasingly important for stimulating economic growth. The large traditional economic assistance program supporting multiple sectors is expected to decline. Priority global issues such as population growth, emerging communicable diseases, and sustainable management of environmental resources are emerging as critical areas for continued support. Strengthened democratic institutions and good governance are expected to become more important for enabling Egyptians to participate more effectively in sustaining their economic and social well being.

Over the coming year, the Mission will begin identifying priorities for the next strategic plan for Egypt. Results achieved to date are enhancing the USG's ability to support Egypt as an emerging market and as a true partner in the global economy.

The following highlights progress over the past year by goal, subgoal, strategic objective (SO) and special objective (SpO):

**Goal:**  
**Broad-based Sustainable Development**  
**With Increased Employment and Quality of Life**

Egypt's ranking on the Human Development Index declined from 106 in 1996 to 109 in 1997. There are now 95 countries with better scores than Egypt and 58 with lower scores. Egypt is weakest in its trade policy, where the level of protection is still very high even after recent Sector Policy Reform-supported tariff reductions. On the other hand, the index points to a low level of restrictions on Egypt's banking industry. Another positive note is reflected in the percentage of Egyptians living below the poverty line which has declined from about 25 percent when Egypt began its economic reform and structural adjustment program in 1990/91 to 23 percent in 1995/96. Based on official GOE statistics, unemployment has also declined slightly from 9.4 percent in 1996 to 8.8 percent in 1997.

**Subgoal 1:**  
**Accelerated Economic Growth**

**SO 1: Accelerated Private Sector-Led, Export-Oriented Economic Growth**

Met Expectations: Performance indicates a healthy, growing economy and increasing influence of the private sector. GDP rose from 4.2% to 5.0%; the private sector share of GDP is up from 63.3% to 66.4%. The growth rate for GDP from agricultural production increased from 3.1% to 3.5%. Although the value of non-petroleum exports was \$100 million lower than last year, private sector agro-industrial exports grew by 25%.

**SpO A: Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research**

Met Expectations. A full 96 percent of research grants met the cost-sharing requirement. Twenty-eight linkage grants were awarded; thirteen additional grants are in the pipeline.

**Subgoal 2:**  
**Human Capacity Built Through Education**

**SO 2: Increased Participation of Girls in Quality Basic Education**

Met Expectations: Ongoing activities with non-governmental organizations confirm the value of participatory, innovative and child-centered programs for girls. Efforts to establish a

community-based approach that can spread throughout the primary system improving classroom practices and quality of education continues.

**Subgoal 3:**  
**Improved Environment for the Growth of Democracy**

Perceptions reported in a local survey indicate some progress has been achieved in social policy and government bureaucratic reforms.

**SO 3: Increased Citizen Participation in Public Decision-Making**

Failed to meet expectations: Overall progress was less than desirable; however, the effort to remove restrictions on CSOs advanced significantly with CSOs and donors agreeing on a common agenda for reforming Law 32 and CSO committee work on the development of a new law. Results fell short of expectations in the devolution of authority to the local level under the Shrouk program due to slow GOE performance on policy and institutional reform.

**SpO B: Increased Use of Information by the Legislature in Decision-Making**

Met Expectations: Heightened awareness of and increased use of information services by the People's Assembly and Shura Assembly were observed in three major areas: legislative function, oversight of the executive, and approval of the state budget.

**SpO C: Improved Civil Legal System**

Met Expectations: Initial customer feedback confirms the significance and effectiveness of the training courses and study tours conducted for the National Center for Judicial Studies faculty members and judges.

**Subgoal 4:**  
**Reduced Population Growth and Improved Health**

Life expectancy remains unchanged at 62 for men and 65 for women. Egypt's population is estimated to have increased from 61.4 million in 1996 to 62.3 million in 1997, a growth rate of approximately 2.1 percent, down from 2.8 percent in 1988.

**SO 4: Reduced Fertility**

Exceeded Expectations: The Total Fertility Rate (the average number of children a woman would have at the end of her childbearing years) dropped significantly during the last two years from 3.63 to 3.27. Further analysis indicates that age-specific fertility has decreased in all age groups in Egypt, but more so for the younger age groups. The Contraceptive Prevalence Rate (the percent of married women of childbearing age currently using

contraceptives) which had been stubbornly "plateaued" for five years increased from 47.9% in 1995 to 54.5% in 1997 which indicates that the national family planning program may have resumed its expansion.

#### **SO 5: Sustainable Improvements in the Health of Women and Children**

Exceeded Expectations: The under five mortality rate dropped from 80.6 (1995) to 66.2 (1997) and the infant mortality rate from 62.6 to 52.7. Progress to reduce infant and child deaths has been steady and impressive.

#### **Subgoal 5: Environment Managed for Long-term Sustainability**

Population with access to safe water and to sanitation moved from 80% and 50%, respectively, for 1990/95 to 79% and 32% for the period 1990-96.

#### **SO 6: Increased Access to Sustainable Water and Wastewater Service**

Met Expectations: Populations benefiting from water and/or wastewater services increased as planned. Impressive progress was achieved in cost recovery. Especially noteworthy is the billing and collection performance of the utilities. In Aswan, Minya, Beni Suef, Fayoum and Mansoura, cost recovery increased by 167%, 73%, 37% and 10%, respectively.

#### **SO 7: Reduced Generation of Air Pollution**

Met Expectations: Accumulated pollution reduction of five of six priority contaminants met or fell slightly short of targets at the SO level, while lead reduction significantly exceeded the target.

#### **SO 8: Natural Resources Managed for Environmental Sustainability**

This new strategic objective was established in January 1998 and will begin reporting results in later years.

#### **SpO D: Approaches to Sustainable Tourism Demonstrated**

Met Expectations: All four models for sustainable tourism management have been achieved leading the way for a new strategic objective (SO 8).



## **PART I: OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE**

The broader development context within which the USAID program works in Egypt remains unchanged. No new social or political conflict or human rights violations have emerged which would significantly impact on the Mission's ability to achieve objectives.

## **PART II: PROGRESS TOWARD OBJECTIVES**

### **GOAL: Broad-based Sustainable Development With Increased Employment and Improved Quality of Life**

In accordance with the approved USAID/Egypt Strategic Plan (1996 - 2001), two indicators are tracked at the program goal level: Egypt's rank on the UNDP's Human Development Index (HDI) and the unemployment rate.

Egypt's ranking on the HDI dropped from 106 (out of 174 countries) to 109 (out of 175 countries). To better understand the standard of living impact on Egypt's poor, the Mission has commissioned a study to review available data and literature. The report is expected to be completed in May 1998. The picture that is beginning to emerge suggests that in 1995/96 a slight improvement occurred with approximately 23% of the population, or 14 million persons, constituting Egypt's "poor" over 25% in 1990/91 at the outset of the economic reform and structural adjustment program. For the fourth consecutive year, the official unemployment rate has declined, dropping slightly from 9.4% in 1996 to 8.8% in 1997. This excludes a major component of the economy, the informal sector, which is not reported in official unemployment statistics. Conventional wisdom, which USAID endorses, concludes that the Egyptian economy must generate a real GDP growth rate of 5% or greater and at least 500,000 jobs per year to meet job entrant demand in the formal sector. With the 5% GDP growth rate reported in 1997, unemployment may continue to decline slightly.

Goal I under the USG Country Team's Mission Program Plan for FY 1997-2001 encourages Egypt to continue and broaden its substantial structural reform of the economy, including privatization. Under Goal III, Egypt is encouraged to continue to open its economy to allow U.S. goods and services and U.S. companies to remain competitive in the Egyptian market.

**SUBGOAL 1:**  
**Accelerated Economic Growth**

**SO 1: Accelerated Private Sector-Led, Export-Oriented Economic Growth**

**1. Performance Analysis:**

**Summary Performance Rating: Met Expectations.**

Egypt has made real progress stabilizing and beginning to liberalize its economy backed up by the strong influence of the U.S.-Egyptian Partnership for Economic Growth and Development. Overall targets were solidly met. At the SO level, economic growth accelerated, with GDP rising from 4.2% in 1996 to 5.0% in 1997, substantially exceeding the 4.2% target. The main sources of faster growth in GDP last year were increases in value added in the transport, financial, agricultural, and tourism sectors. All of these are areas where SO 1 activities and reform programs have been particularly active and successful.

An expanding private sector is becoming an increasingly larger contributor to GDP. GDP originating in the private sector rose from 63.3% in 1996 to 66.4% in 1997. In transport, the private sector has now begun to operate some port services (e.g., stevedoring), with new firms already established at the ports of Alexandria and Dammiatta. The private sector's share of the transport/communication sector rose from 51.3% to 55.8% in 1997.

The value of private non-petroleum exports, the most worrisome SO level indicator, was \$100 million lower than last year and nearly \$300 million below expectations. Part of the decline was due to a 31% drop in agricultural commodity exports. On a more positive note, private sector agricultural exports grew overall last year by 5.5%, due to a 25% increase in agro-industrial sub-sector exports. Agriculture (including agro-business) accounts for nearly half of total private sector non-petroleum exports.

Steady improvements in Egypt's economic policy environment have helped spur economic growth. The Sector Policy Reform (SPR) program registered positive accomplishments, with 56% of policy reforms planned for the life of the program accomplished by 1997, an increase of 13% over the previous year. Progress would have been even greater but a disbursement against SPR III benchmarks was withheld pending agreement on the wording of a politically sensitive measure for the adoption of a new patent law. The anticipated drawdown of the pipeline is moving forward but not as fast as expected.

Trade liberalization, as measured by lower effective rates of protection, declined from 35% to 31%. In September 1996, the GOE reduced the maximum tariff rate and most others by 10 percentage points and in July 1997 made another reduction of 5 percentage points. While economists generally agree that rates are still too high, the GOE is understandably reluctant to cut tariff rates too much, or too quickly, for fear that it will hurt its efforts to balance the budget. Approximately one sixth of all GOE revenues are raised from tariffs.

The fiscal record of the GOE has been excellent. The budget deficit shrank from LE 3 billion in 1996 to LE 2.3 billion in 1997, falling to less than 1% of GDP compared with 17% only six years ago. Productivity increased in the non-agricultural private sector in 1997 by 4.4%. Employment in the non-agricultural private sector is also growing, from 5.4 million in 1995, to 5.7 million in 1996 and 6.1 million in 1997.

The growth rate for GDP from agricultural production increased from 3.1% in 1995/96 to 3.4% in 1996/97. Strong agricultural productivity growth was also evident in somewhat faster than expected increases in the value of agricultural production per thousand cubic meters of water (up 10% over the past two years compared to a projected 2.5% growth per year). Remarkable progress was registered in the growth of the private sector share of agricultural output, increasing from 62% in 1996 to 74% in 1997. This was partly due to faster than expected privatization in the textile industry and in rice and wheat milling.

Continuing difficulties in post-harvest cotton activities as well as the political sensitivity of implementing measures for the cost recovery of irrigation system operations, maintenance and capital costs, contributed to a modest shortfall in expectations for policy reform measures planned under the Agriculture Policy Reform Program (APRP). By 1997, 56% of all reforms covered by the now completed Agriculture Production and Credit Program and the ongoing APRP were met compared to a planned target of 61%.

Liberalization of the agricultural sector is generally more advanced than other sectors of the economy. Unfortunately, the GOE's adoption of poor cotton pricing policies in 1995 led to a decline of several hundreds of millions of dollars in private exports of cotton, yarn, and textiles. Problems persist in the sector. In spite of continued growth in agricultural productivity and crop production, lint cotton is piling up in warehouses rather than being exported. Public spinning factories are running at a fraction of their capacity because of cotton pricing problems and regulated behavior. Due to poor policies, the growing and spinning of Egyptian cotton is becoming disconnected from the rapidly growing private sector export of ready made garments which relies increasingly on imported yarns. USAID is working with the GOE to eliminate cotton sector restrictions and some change is taking place. Administrative allocation controls as well as the ban on yarn imports have been eliminated.

The record on privatization of the agricultural sector is mixed. Targets for the private sector share of cotton ginning and weaving were not met because the high floor price for cotton and a 30% tariff on imported yarn made them unattractive for private sector investment. On the other hand, the target for the private sector share of cotton spinning was exceeded because four of the large spinning mills were privatized faster than expected. The rice milling target was also exceeded. Most rice milling is now done by private sector mills due to the inefficiency of the public mills and eased market entry procedures that have allowed the private sector to establish modern mills. The private sector share in unsubsidized wheat flour milling is very significant and exceeded the target. However, market distortions still exist due to the bread subsidy, GOE policy in terms of wheat milling, etc.

Nominal protection coefficients (NPC) indicate that for crops other than cotton, domestic prices largely reflect international prices. Changes in NPCs for wheat, maize, and rice reflect shifts in international prices and slow adjustment of domestic prices as a result of successful GOE price stabilization efforts. The NPC for cotton was high because the cotton floor price was set too high. This reflects the government policy to encourage production.

Part of the decline (\$80 million) in overall private sector exports was in traditional exports of fresh agricultural products (citrus, potatoes, onions, rice) and raw cotton which occurred over 1996/97. Reasons for that decline included reduced production (poor weather, disease and pests), and soft export prices due to excellent weather in producer countries, and large carry-over stocks in the case of potatoes and rice. Due to the GOE restriction on private sector cotton trading and high floor prices for Egyptian cotton, spinning and weaving product exports (including ready made garments) declined by 88% in 1995/1996 and recovered only slightly in 1996/97, in spite of rapid growth in exports of ready made garments. In the future, export growth will track a cluster of targeted sectors (viz. fresh and processed agriculture; spinning/weaving products; leather; furniture; and software) as a more effective bellwether of economic growth and liberalization.

Private firms provided assistance under SO 1 have demonstrated important employment generation growth and improved profitability from the technologies introduced. Anecdotal evidence of success ranges from an electrical manufacturer's \$300,000 cost reduction to a medical cotton producer's generation of 50 jobs and investment in a new \$2.5 million factory. These results flow from IESC-supported ISO 9000 certification and/or technical assistance. Over 120 firms have received ISO 9000 (or equivalent) certification. At the farm level, horticulture exporters are benefiting from new products and technologies, including the introduction of new varieties and post-harvest handling practices. Winter season melon exports from Upper Egypt directly to the United Kingdom by sea began in 1997. The market window for this production is large and growing.

The GOE has made major strides forward in strengthening financial markets, taking steps to sell shares in virtually all joint venture banks, to modernize and reform the capital market, and to simplify procedures for establishing new firms and investments. The results of these reforms are impressive. With the further elimination of bias toward lending to the public sector as a result of the discontinuation of government guarantees of state owned enterprises, the private sector has become a larger recipient of credit. Credit extended to the private business sector increased by 28%, from LE 64.9 billion in 1996 to LE 82.8 billion in 1997. This exceeds the 1997 target (LE 74.8 billion) by LE 8 billion.

All indicators for expanded and deepened financial services exceeded their targets. At the root of these positive advances has been privatization which provided a steady stream of companies for sale at the stock exchange. This has been the single most important catalyst for capital markets growth. Other factors include Egypt's inclusion in the International Finance Corporation's Global Index, an investment grade rating from two major rating agencies, and a growing trend of private firms to increase capital via the stock exchange.

Dramatic growth continued in the country's stock market. The GOE used the equity market to sell a large number of shares in a wide variety of industries. This increase in supply of equities contributed importantly to the doubling of trading activity on the exchange in 1997. The number of companies privatized exceeded the target of 62 by 8. The value of firms privatized to date is LE 11.7 billion, based on the 1991 book value. This is slightly below target due to the number of liquidations which delivered smaller returns; however, progress in this area has been dynamic.

The GOE's continued commitment to privatization was reflected in progress addressing two major constraints, excess debt and labor, which plague many of the companies remaining to be privatized. The banks (the majority of which are state owned) and the affiliate companies have begun negotiations to reduce, restructure and reschedule outstanding debt. These negotiations now take place regularly. As of June 1997, out of total debt of LE 20 billion, debt settlements of state-owned enterprises amounted to LE 8.9 billion, out of which LE 2.09 billion was written off, LE 2.8 billion was repaid, and LE 3.99 billion was rescheduled. The GOE also recently completed an Early Retirement Scheme to solve the problem of redundant workers. Given the political, social and economic implications of the program, this was a major accomplishment. To date, approximately 55,000 workers have availed themselves of this scheme.

Efforts to broaden bank financing of international trade transactions and imports of appropriate U.S. goods and technology were rewarded by strong demand for the annual flow of \$200 million from the Commodity Import Program. The program is distributed among 22 participating banks in Egypt. Last year, there were a total of 366 users, of which 145 were for transactions under \$100,000. At the other end of the spectrum, promotional work with small businesses in 1997 resulted in LE 230 million of credit extended, an increase in volume of 8.5%, keeping this vital program squarely on track. Increasing the volume of credit to small business while building up the institutional capacity of participating non-governmental financial institutions is a two-pronged approach that is better serving clients. As planned, 41 institutions reached break-even. The Assiut Business Association, a newly established NGO in Upper Egypt, reached operational break-even in only 15 months of end-use lending from start-up. Of particular note, two associations have reached a higher percentage of women's participation than most: Sharkia (18%); and Assiut (20%). The overall percentage of women's participation has improved from 11% to 15%.

Performance in the power sector in 1997 can be characterized as continued strong expansion, although installed capacity only rose a modest 2 percent over 1996 because the first 600 MW unit of the El Kureimat power station did not come on line in 1997. The four-month delay did not measurably undermine progress and both 600 MW units will come on line in 1998. Presently, 97 percent of the Egyptian population have access to electricity. The remaining 3 percent are primarily in villages with populations less than 1,000. While running a gross generation deficit as recently as ten years ago, the Egyptian Electricity Authority (EEA) is now ready to start exporting power to Jordan with an approximate annual value of LE 300 million. Electrical sales to business reached 68 percent of the target value.

Telecom Egypt, formerly known as ARENTO, has been aggressively expanding telecommunication services. An additional one million lines were put into place which significantly increased the country's teledensity from 5 per 100 population in 1996 to 6.8 per 100 inhabitants in 1997, an overall increase of 36 percent from 1996 and almost four times the 1997 target. A target of 4.5 million telephones installed was met. Telephones installed for the business sector exceeded the 1997 target. Business usage also pushed the target for international telephone traffic beyond the expected growth rate of 7 percent.

The GOE recently announced that Telecom Egypt will be gradually privatized upon completion of the valuation of assets. Plans are to privatize up to a 20 percent share of sales of basic services in 1998. In addition, several other initiatives are underway to put new policy and institutional development into effect at Telecom Egypt. These include the competitive pricing of VSAT services, the provision of internet services by 32 private sector providers, the licensing of the resale of telecommunications services by private entities, the leasing of 40,000 lines to private sector pay phone operators, and the first serious steps to privatize the GSM and basic service. Two new private sector contracts have been signed for a total of 40,000 pay phone lines.

Regulatory boards have been authorized for both the power and telecommunications sectors. In the power sector the regulatory board has taken initial steps to become operational. Telecom Egypt is addressing telecommunication regulations now due to growing pressure from commercial companies seeking to acquire rights to enter the Egyptian market under value-added services. Financial performance in the telecommunications sector was better than expected due to high international traffic and market driven fees for cellular phone service. The EEA continues to face financial difficulties as it collects only about percent of total electricity sales and makes unaccounted-for payments to the Ministry of Finance.

Customer feedback is an essential part of SO 1 monitoring systems, both formal and informal. Informal systems include team-building with a broad range of public and private sector counterparts involving field level seminars, workshops, conferences, and meetings with government officials (local and national), private businessmen, universities, and senior policy makers to identify emerging policy reform needs. Gathering input from a full range of stakeholders is also a critical part of building consensus to accelerate reform implementation. An example of an organization contributing to targeted feedback is the Egyptian Center for Economic Studies, a private sector think tank supported by USAID, which helps confirm economic liberalization trends and opportunities and areas of need for policy advocacy.

The Federation of Egyptian Industries is an advocate for the new investment and trade laws, alerting the public to weaknesses in the legislation. The Egyptian Exporters Association is active in the area of transport and port services and the duty drawback scheme. The Horticulture Exporters Improvement Association provided analysis of the impact of high air freight rates on the competitiveness of their fresh produce exports to the Minister of Agriculture who presented the findings to the Prime Minister. The American Chamber of Commerce in Egypt was influential in advocating the privatization of telecommunications.

The most dominant presence continues to be the U.S.-Egyptian Partnership for Economic Growth and Development with its high-level consultative body, the Presidents' Council made up of eminent business leaders from the Egyptian and U.S. private sectors, and those associated with the work of Subcommittee I on Economic Policy, Trade, Investment, and External Policy. All of these have contributed to a better understanding of the enormous dimensions of the SO 1 arena.

## **2. Expected Progress Through FY 2000 and Management Actions:**

While overall progress has been positive under SO 1, a note of caution is needed. Egypt's economic reform program is entering a difficult phase where the final stage of structural changes need to be realized and even stronger political will is required. The country must sustain and deepen key reform processes of privatization, trade liberalization, deregulation and fiscal and financial prudence to successfully transform the economy. The country's relative low ranking on the Heritage Foundation's Economic Freedom Index is one general measure of how much is yet to be done for Egypt to become globally competitive.

Along these same cautionary lines is the tourism sector which exhibited strong growth in 1997. The general improvement in the business climate and continued confidence in government support helped fuel significant construction for facilities expansion. Throughout the year, tourists flocked to Egypt in increasing numbers. In November 1997, however, a massacre of tourists occurred in Luxor. The incident casts a pall over prospects for GDP growth in 1998, which is projected to be 4.5 percent. Estimates of the impact of the Luxor incident suggest that economic growth could drop by as much as 0.5 - 1.5 percent. The actual impact will depend on how quickly tourist trade recovers. Given the uncertainties that exist at this time, no attempt is made in this R4 to adjust targets even though GDP growth exceeded the 1997 target. Analysis of the impact will be included in next year's R4.

In January 1998, the Presidents' Council under the U.S.-Egyptian Partnership met to revise and reinvigorate its efforts by focusing on the following agenda: (1) generation of project-specific investment between the two countries, especially agriculture/agribusiness, and information and bio-technology; (2) training and internships through the Mubarak Professional Development Initiative; and (3) policy initiatives and new business opportunities in six areas: small and medium size enterprise; financial sector; infrastructure and utilities; government procurement; dispute settlement; and a free trade agreement. The impetus of these and other high-level actions is expected to help maintain reform momentum through the year 2000.

Agricultural sector policy reforms are now providing the enabling conditions for a broad expansion of exports and significant contributions to national GDP growth. Agricultural productivity is increasing export competitiveness and the value of private non-petroleum exports. Privatization in the cotton sector, particularly ginning and weaving, proceeded more slowly than expected because of slow GOE liberalization; this is expected to accelerate in 1998/1999. The private sector is now finding it more attractive to enter the cotton trading market by establishing a new company rather than investing in inefficient

government owned companies. In September 1997, the GOE signed an MOU for USAID support to help implement several key policy reforms including the elimination of export quantity restrictions on cotton, ensuring that private traders are able to buy cotton from farmers at freely negotiated prices, and ensuring that private traders are able to participate in the cotton trade. GOE officials recently stated that for the next cotton crop season beginning in April 1998, they intend to remove public sector controls completely. Re-entry of the private sector into cotton and spinning/weaving exports, expected with the 1998 crop year, will significantly boost exports. Increased rates of growth in private sector exports in five sub-sectors should begin by late 1998/early 1999.

Efficient use of water is critical for future agricultural growth in Egypt. GOE decisions to significantly expand irrigated agriculture into desert lands mean that Egypt's fixed share of Nile flows must be managed and used more efficiently. This will require accelerated private investment and rapid response to changing international markets. Current policy reform activities under APRP will address these and related issues.

A major policy reform initiative involves the expansion of private water user associations (WUAs). Though few in number at present, rapid growth in WUAs is anticipated in the near future. The movement toward WUAs signals interest in privatizing even larger portions of the current distribution system. Water users will not only have a say in matters related to water allocation and use, but will also be responsible for assuming annual operations and maintenance costs currently covered by the GOE. Producers will participate more directly in a democratic process that enhances water distribution and its management at the farm level.

APRP supported research on food security and poverty issues have been presented and discussed with the GOE as part of the policy dialogue. This research, supported through a grant to IFPRI, is expected to clarify how Egyptian policy reforms lead to broad-based sustainable development with increased employment and improved quality of life in non-metropolitan areas and create an improved environment for future actions.

Over the coming year, the Mission plans to design a new program to broaden the privatization and commercialization effort beyond Law 203 state-owned enterprises. The new design will link the program to a wide range of sectors that the Mission supports such as power, telecommunications, agro-business, and wastewater management.

Policy reform measures underway have set the stage for increased investments in new technologies. An ambitious set of results packages is planned to accelerate the adoption of technologies, products and management practices in other sectors (e.g., garments, processed foods). Plans for new activities will be in place by the end of 1998 to build upon successes.

With regard to power, overall system accessibility will continue to improve with the addition of 1,200 MW at Kureimat. System efficiency will be enhanced by the interventions started under Power Sector Support II. USAID-supported policy and institutional reforms are



affecting the way the power sector is doing business. For example, using its own resources, EEA contracted with a U.S. consortium to prepare specifications, contract documents, and purchasing and financial agreements for Egypt's first private sector investment in infrastructure, a 650 MW power station at Sidi Kirir, West of Alexandria. An award was made to a U.S. consortium in February 1998. The GOE has decided that future power generation should be financed entirely by the private sector. In addition, the power sector is leading the utility industries in setting up a regulatory function with the assistance of USAID. The Board should be staffed in 1998 and functional by early 1999.

Telecom Egypt is also experiencing rapid liberalization movement with high-level political support. Significant portions of value-added services are in the hands of the private sector. It is anticipated that during 1998, two GSM operators will be competing in the market, a change prompted by USAID's policy reform effort and a positive response to market forces. The GOE has decided to privatize telecommunications basic services. A new law is in process and a functioning regulatory board should be in place in the near future.

The results framework for SO 1 below the SO level and the indicators tracking performance have been modified this year for the FY 2000 R4. The number of intermediate results directly linked to the SO have been expanded from three to five. (The revised framework is provided in Annex B.) IRs have been refocused to emphasize the importance of economic policy, agriculture, exports, privatization/financial markets, and power/telecommunications. A number of changes have also been made to tighten measures of performance and enhance the utility of indicators reporting at the higher level. In general, most lower-level IRs and their indicators are regrouped to correspond to the new framework.

Other modifications have also taken place. The SRI's Commercial Policy Index is dropped as an indicator for the investment climate because SRI no longer calculates this index. It is replaced with the widely recognized Heritage Foundation's Index of Economic Freedom. The Heritage Foundation index shows that Egypt is making slow but steady progress in economic reform since the index started in 1994.

Lagging export growth is being addressed on two levels. On the macro level, policy reform efforts are being bolstered through expanded policy advocacy. On the micro level, direct assistance to export sectors through expanded transfer of technology is being intensified. This dual approach is being coupled with strengthened indicators in policy advocacy and technology to better measure progress in these vital areas. Although these efforts are expected to have significant impact, delays in achieving SPR measures and in finalizing the matrix for SPR III have resulted in lowered expectations. USAID intends to stabilize the pipeline within the \$200-\$400 million range, obligate nearer to actual Government of Egypt performance on reforms, and obligate amounts relative to the anticipated performance.

A summary of the changes follows:

- o The indicator value of private sector non-petroleum exports, previously reported under the former IR 1.1, replaces private sector share of non-petroleum exports. Value more effectively captures progress at the SO level across multiple IRs. The Mission requests Washington concurrence with this revision to SO-level indicators.

- o IR 1.1 has been recast as Improved Economic Policy Environment (vs. the prior Increased Private Sector Exports). An Economic Freedom index based on calculations provided by the Heritage Foundation replaces the SRI index.

- o IR 1.2 has been changed to Increased Agricultural Sector Productivity (vs. Increased Productivity of Private Sector Enterprise). Under this IR, value of agricultural production/unit of water has been refined. A new lower-level IR has been created: 1.2.3 Increased Access to Agricultural Information. The next phase of liberalization requires increasing access to information on a timely basis for more rapid adjustments to policies and private sector risk management. Two new indicators have been chosen to track performance at this level: increased stakeholder awareness of liberalization and privatization measures, and cumulative number of information related policy benchmarks achieved.

- o IR 1.3 is now entitled Increased Exports in Target Sectors (vs. Accelerated Privatization and Improved GOE Support of Competitive Markets) and incorporates a new indicator for private sector exports in targeted sectors. This revised IR narrows measurement from all private sector exports to a limited number of sectors (agricultural commodities; foodstuffs; spinning, weaving, and ready made garments; furniture; and software) for which the Mission's Economic Growth program are held accountable.

Measuring and reporting on the number of technologies disseminated has been problematic because of the difficulty in defining and counting various technologies which are not comparable in value. This indicator has been replaced (1.3.1) with a new unit of measure, the number of farmers, exporters and exporter associations receiving export-related technologies. The second indicator at this level, firms receiving quality assurance certification assistance, has been retained.

Though difficult to value, the 1.3.2 proxy indicator ("hits" on internet sites supported by USAID activities) used to track increased access to market information has been retained. It will be refined further to measure access to market information beyond simple access to internet information. In addition to on-line market information, future measurements will include market/business information distributed through relevant publications and technical assistance provided by Growth Through Globalization (GTG) and Agricultural Technology Utilization and Transfer activities.

- o IR 1.4 is entitled Accelerated Privatization and Strengthened Financial Markets, regrouping lower-level results and indicators previously distributed under multiple IRs.

o IR 1.5 is entitled Increased Access to Reliable Power and Telecom Services and also concentrates pre-existing results under one IR.

The Washington reporting cable for the FY 1999 R4 asked for situation updates on the following: (1) fertilizer marketing, (2) cotton floor pricing, and (3) EEA's financial difficulties. The status of these issues follows:

(1) Fertilizer marketing: The official PBDAC marketing allocation was dropped from 100% of all locally produced nitrogenous fertilizer to 87%, then to 49% and finally to 25%. The portion of Egyptian production of nitrogen now available to private sector marketers is now 75% because PBDAC is taking less than its full allocation.

(2) Cotton floor pricing: Although the floor price is still set too high, the GOE has adopted a deficiency price system of incentives that, while still imperfect, represents an improvement over last year's full support price payment system. The elimination of a minimum export price and a move from obligatory to optional export pressing and blending by state owned companies has resulted in the private sector share of cotton exports increasing to 25% compared to 3% last year.

(3) EEA financial difficulties: EEA's self-financing ratio and net income has improved only modestly, and EEA continues to face financial difficulties. About 85 percent of total electricity sales are collected, with state-owned enterprises and GOE entities being the biggest defaulters. USAID continues to focus attention on the need for EEA to become financially viable and has linked resource availability to performance in this area. The Minister of Energy and Electricity is trying to solve the problem and has initiated several law suits against public sector companies to recover the cost of electricity services provided. Recently, the GOE announced plans to merge generation and distribution to be accompanied by a restructuring of the entire power sector. The GOE intends to use the capital markets as a means for private ownership of the utility.

Finally, this year the Mission requests approval to extend all results under Strategic Objective 1 to 2004. Last year targets at the SO level were extended to 2004 along with targets under one lower-level IR (previously identified as 1.3.1) due to planned activities under the Partnership for Economic Reform results package. This year a number of other activities are coming on line -- agribusiness and endowment activities under GTG, follow-on privatization and commodity import programs, and financing agreements under the Small and Emerging Businesses results package -- which require the flexibility of a longer period of out-year assistance. This involves establishing realistic time frames for the execution and implementation of new contracts and grants planned under these activities. Targets in the performance data tables have been extended, as appropriate.

EGYPT				Approved: June 1996	
STRATEGIC OBJECTIVE 1: Accelerated Private Sector-Led, Export-Oriented Economic Growth					
Indicator: GDP Growth					
Unit of Measure: % growth of total output of goods and services in the domestic economy.		Year	Planned	Actual	
		1994(B)		2.9	
Source: CAPMAS, IMF, World Bank, Ministry of Planning		1995	NA	3.2	
Comments:  All SO-1 data is based on GOE fiscal year July 1 - June 30 unless otherwise noted.		1996	3.5	4.2	
		1997	4.2	5.0 5.05.05.0	
		1998	4.5		
		1999	4.5		
		2000	5.5		
		2001	6.0		
		2002	6.3		
		2003	6.6		
		2004(T)	6.9		
Indicator: Private sector share of GDP					
Unit of Measure: % share of total output of goods and services in the domestic economy.		1994(B)		61.7	
		1995	NA	62.6	
Source: CAPMAS, IMF, World Bank, MOP, CBE		1996	63.5	63.3	
Comments:		1997	64.2	66.4	
		1998	65.2		
		1999	66.2		
		2000	67.2		
		2001	68.2		
		2002	69.2		
		2003	70.2		
		2004(T)	71.2		

<b>Indicator:</b> Value of private non-petroleum exports			
<b>Unit of Measure:</b> In US \$ billions	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1994(B)		0.75
<b>Source:</b> CAPMAS, Central Bank of Egypt	1995	NA	NA
<b>Comments:</b>  Note: This replaces the private sector share of non-petroleum exports.	1996	1.300	1.26
	1997	1.448	1.16
	1998	1.665	
	1999	1.915	
	2000	2.202	
	2001	2.533	
	2002	2.900	
	2003	3.350	
	2004	3.852	
<b>Result No. 1.1: Improved Economic Policy Environment</b>			
<b>Indicator:</b> Economic Freedom Index			
<b>Unit of Measure:</b> Measurement of the investment climate in Egypt using the Index of Economic Freedom	1994(B)		3.50
	1995		3.45
<b>Source:</b> Heritage Foundation/Egypt in the 1998 Report Index	1996		3.45
<b>Comments:</b> This is a new indicator, replacing the SRI index.  The Heritage Foundation has calculated its Index of Economic Freedom for four years. The highest value of the index is 1 (the best); the lowest value is 5 (the worst). Countries with values between 1 and 1.99 are categorized as economically "free"; countries with values between 2 and 2.99 are categorized as "mostly free"; countries with values between 3 and 3.99 are categorized as "mostly unfree"; and countries with values between 4 and 5 are categorized as "repressed."  Note: The index is published in January of each year and shows the data for the previous year. Hence the 1998 index is used as the 1997 actual.	1997		3.35
	1998	3.30	
	1999	3.20	
	2000	3.10	
	2001	2.95	
	2002	2.90	
	2003	2.85	
	2004(T)	2.80	

<b>Indicator:</b> Productivity in the non-agricultural private sector			
<b>Unit of Measure:</b> In thousands of Egyptian pounds (LE) at constant 1991/92 prices: Output (GDP) per worker.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1995(B)		12.52
	1996		12.88
<b>Source:</b> CAPMAS, Ministry of Planning	1997	13.13	13.45
<b>Comments:</b>	1998	13.40	
	1999	13.66	
	2000	13.94	
	2001	14.22	
	2002	14.50	
	2003	14.79	
	2004(T)	15.09	
<b>Result No. 1.1.1: Increased economic stabilization and structural adjustment</b>			
<b>Indicator:</b> Budget deficit			
<b>Unit of Measure:</b> In billions of Egyptian pounds (LE): Difference between revenues and expenditures.	1993/4(B)		3.7
	1995	1.8	2.5
<b>Source:</b> Ministry of Finance	1996		3.0
<b>Comments:</b>  Budget is nearly balanced. The actual deficit is measured in billions of LE rather than % of GDP because of the long time lag in getting GDP numbers.	1997	2.8	2.3
	1998	2.6	
	1999	2.4	
	2000	2.2	
	2001	2.0	
	2002(T)	2.0	
<b>Indicator:</b> Amun Oracle			
<b>Unit of Measure:</b> Index of economic policy management based on a possible score of 100.	1994(B)		61
	1995		60
<b>Source:</b> Panel of Egyptian economic observers	1996	65	59
<b>Comments:</b>  The Amun Oracle panel is composed of Egyptians prominent in business and practical economic studies. Every six months, since 1994, they have been asked to rate Egypt's progress in economic reform. Scores of 40-60 represent fair progress, 70-90 good. *The 1997 report has been delayed due to Ramadan.	1997	67	*
	1998	68	
	1999	69	
	2000	71	
	2001(T)	73	

<b>Indicator:</b> Tracking of policy reforms/scoring of reforms			
<b>Unit of Measure:</b> % of measures achieved under Sector Policy Reform (SPR)*	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> SPR progress reports	1993(B)		18
<b>Comments:</b>  *The unit of measure has been changed. The index is set at 100% of total cumulative planned disbursements instead of 80%.  Targets have been modified for the following reasons: (1) measures under SPR pertaining to the environment have shifted to SO 7; (2) the schedule for meeting SPR II/second year and SPR III measures has been stretched out.	1994		35
	1995		35
	1996	43	43
	1997	65	56
	1998	67	
	1999	77	
	2000	88	
	2001(T)	100	
<b>Result No. 1.1.2: Liberalized Trade</b>			
<b>Indicator:</b> Effective Rate of Protection			
<b>Unit of Measure:</b> % difference between value added at domestic prices and at world prices as a % of the latter (data are reported with a one year lag).			
	1994(B)		449
	1995		NA
<b>Source:</b> CAPMAS/Customs data	1996		33
<b>Comments:</b>  Prior year actual and planned targets have been adjusted to reflect a new, more accurate assessment based on weighted averages.	1997	35	31
	1998	30	
	1999	29	
	2000	28	
	2001	26	
	2002	24	
	2003	22	
	2004(T)	20	

Result No. 1.1.3: Liberalized Markets			
<b>Indicator:</b> Sector policy reform measures on privatization achieved			
<b>Unit of Measure:</b> Cumulative number of measures achieved	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1993(B)		2
<b>Source:</b> USAID Status Reports	1994		2
	1995	1	3
<b>Comments:</b>	1996	6	6
	1997	10	10
	1998	12	
	1999	14	
	2000	16	
	2001(T)	18	
Result No. 1.2: Increased Agricultural Sector Productivity			
<b>Indicator:</b> Value of agricultural production per thousand cubic meters of water			
<b>Unit of Measure:</b> In Egyptian pounds (LE): Value of production from 23 major crops per thousand cubic meters of water.	1995(B)		400
	1996		416
<b>Source:</b> Ministry of Agriculture and Land Reclamation, Ministry of Public Works and Water Resources, USAID	1997	427	442
	1998	437	
<b>Comments:</b>  The estimated values have been changed to reflect adjustments in calculating value of production from the 23 crops.	1999	448	
	2000	459	
	2001(T)	471	



Result No. 1.2.1: Liberalized Agricultural Markets			
<b>Indicator:</b> Nominal protection coefficients (NPC) for selected commodities			
<b>Unit of Measure:</b> Ratio of domestic price to social price for main crops within USAID's manageable interest: wheat, maize, rice and cotton. The average farm prices of all varieties are used. The world price equivalent at farm is calculated using the concept of three years moving average of the wheat world prices.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
		<b>Wheat</b>	
	1995(B)	1.00	0.86
	1996	1.00	0.78
<b>Source:</b> Agricultural Policy Reform Program (APRP) monitoring and evaluation reports	1997	1.00	0.93
	1998	1.00	
<b>Comments:</b>	1999	1.00	
	2000	1.00	
	2001(T)	1.00	
		<b>Maize</b>	
	1995(B)	1.00	0.99
	1996	1.00	0.94
	1997	1.00	0.90
	1998	1.00	
	1999	1.00	
	2000	1.00	
	2001(T)	1.00	
		<b>Rice</b>	
	1995	0.84	0.84
	1996	0.90	0.82
	1997	1.00	0.94
	1998	1.00	
	1999	1.00	
	2000	1.00	
	2001(T)	1.00	

Result No. 1.2.1: Liberalized Agricultural Markets (cont'd)	Year	Planned	Actual
		Cotton	
	1995(B)	1.32	1.32
	1996	1.10	1.20
	1997	1.00	1.20
	1998	1.00	
	1999	1.00	
	2000	1.00	
	2001(T)	1.00	
<b>Indicator:</b> Tracking Agricultural Policy Reform Program (APRP) Policy Reforms			
<b>Unit of Measure:</b> % of life of program disbursements against policy benchmark achievements under APRP, including carryover from Agriculture Policy and Credit Program, as a proxy measure for policy reforms achieved.		APRP	
	1996	50	50
<b>Source:</b> APRP progress reports	1997	61	56
<b>Comments:</b>  The unit of measure has been changed. The index is set at 100% of total cumulative planned disbursements instead of 80%. Targets have been modified accordingly.	1998	74	
	1999	87	
	2000	100	
	2001(T)	100	

<b>Indicator:</b> Select APRP Reform Measures*			
<b>Unit of Measure:</b> % of total processing volume controlled by the private sector through the transfer of assets, private management of facilities, or leasing of facilities for selected industries: Cotton-ginning, spinning and weaving; rice milling, and wheat milling.	Year	Planned	Actual
		<b>Cott-gin</b>	
	1995	0	0
<b>Source:</b> APRP monitoring and evaluation reports	1996	25	25
<b>Comments:</b>  *Does not include the growing business associated with rentals and custom hires.  Baseline 1993: cotton-gin 0% cotton-spn 3% cotton-wvg 50% rice milling 75% wheat mlg. 40%	1997	35	22
	1998	45	
	1999	50	
	2000	55	
	2001(T)	60	
		<b>Cott-spn</b>	
	1995	3	3
	1996	3	3
	1997	15	22
	1998	25	
	1999	30	
	2000	40	
	2001(T)	50	
		<b>Cott-wvg</b>	
	1995	50	50
	1996	55	50
	1997	65	45
	1998	70	
	1999	80	
	2000	85	
	2001(T)	90	

Indicator: Select APRP Reform Measures * (cont'd)	Year	Planned	Actual
		Rice-ml	
	1995	75	75
	1996	80	75
	1997	85	93 /4
	1998	90	
	1999	95	
	2000	95	
	2001(T)	100	
		Wheat-ml	
	1995	45	40
	1996	50	50
	1997	60	66 /5
	1998	70	
	1999	90	
	2000	95	
	2001(T)	100	
<b>Result No. 1.2.2: Improved Allocation of Water Resources</b>			
<b>Indicator:</b> Irrigated Area Under Private Water User Associations			
<b>Unit of Measure:</b> Irrigated area under thousands of acres field (mesqa) level water user associations (WUA), federations of WUAs, and district level water boards	1995(B)	NA	33
	1996	NA	60
<b>Source:</b> Ministry of Public Works and Water Resources (MPWWR)	1997	NA	70
<b>Comments:</b> This is a new indicator.  Planned figures are taken from the 1997 MPWWR Draft Strategy for Irrigation Improvement Sector.	1998	180	
	1999	360	
	2000	540	
	2001(T)	720	

<b>Result No. 1.2.3: Increased Access to Agricultural Information</b>			
<b>Indicator:</b> Increased stakeholder awareness of liberalization and privatization measures			
<b>Unit of Measure:</b> Cumulative number of participants in policy workshops, on-the-job training and knowledge surveys.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1996/97(B)		2116
<b>Source:</b> APRP, RDI and GreenCom Surveys	1997/98		5000
<b>Comments:</b>	1998/99	8000	
	1999/00	11000	
	2000/01(T)	13000	
<b>Indicator:</b> Information related policy benchmarks achieved			
<b>Unit of Measure:</b> Cumulative number	1997 (B)	2	2
<b>Source:</b> APRP Records	1998	6	
<b>Comments:</b>	1999	10	
	2000 (T)	14	
<b>Result No. 1.3: Increased Exports in Targeted Sectors</b>			
<b>Indicator:</b> Increased value of private sector exports in targeted sectors			
<b>Unit of Measure:</b> In millions of Egyptian Pounds (LE)	95/96	573.4	684.4
<b>Source:</b> CBE	96/97	642.2	756.2
<b>Comments:</b>  Targeted sectors are: Fresh and processed agriculture, spinning\weaving products (including ready made garments), leather products, furniture, and software.	97/98	719.3	
	98/99	806.6	
	2000/01	902.3	
	2001	1011.5	
	2002	1132.9	
	2003	1268.8	
	2004	1421.1	

Result No. 1.3.1: Increased Use of Improved Products, Technologies and Management Practices			
<b>Indicator:</b> End users (farmers, exporters, and exporter associations) receiving export technologies			
<b>Unit of Measure:</b> Cumulative number	1995 (B)		45,000
<b>Source:</b> USAID records	1996		95,744
<b>Comments:</b>	1997	148,574	155,000
	1998	209,294	
	1999	279,124	
	2000	359,429	
	2001	443,749	
	2002	524,000	
	2003	590,000	
	2004 (T)	640,000	
<b>Indicator:</b> Private sector firms receiving services related to internationally recognized certification of quality management systems or practices			
<b>Unit of Measure:</b> Number of clients who worked with Growth through Globalization (GTG) RP partners in implementing quality management systems.	1995 (B)		15
	1996	NA	60
<b>Source:</b> GTG/CQA activity progress reports	1997	NA	129
<b>Comments:</b> This indicator was formerly reported as the number of services delivered leading to ISO 9000 certification. The indicator has been revised to take into account other forms of international certification available to Egyptian private sector firms throughout Egypt.	1998	150	
	1999	170	
	2000	190	
	2001	210	
	2002	218	
	2003	225	
	2004 (T)	235	

Result No. 1.3.2: Increased Access to Market Information			
<b>Indicator:</b> People/firms gaining market information through internet channels			
<b>Unit of Measure:</b> Number of "hits" (in thousands) on USAID supported web sites providing information on technologies and/or markets in the fourth quarter of a given year. Planned figures represent average quarters.	1995 (B)		0
	1996		151.6
<b>Source:</b> Progress reports from American Chamber of Commerce/Business Link	1997		87.5
<b>Comments:</b> Fourth quarter data was selected for the sake of comparability. This indicator will be improved to measure market information distributed through relevant publications and TA activities under GTG and Agricultural Technology Utilization and Transfer as well as on-line market information.	1998	102.5	
	1999	112.5	
	2000	136.0	
	2001	150.0	
	2002	165.0	
	2003	182.0	
	2004(T)	200.0	
Result No. 1.3.3: Increased Private Participation in Policy Dialogue			
<b>Indicator:</b> Private sector advocacy groups participating in policy dialogue			
<b>Unit of Measure:</b> Cumulative number of private sector advocacy groups in Egypt with USAID involvement	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1996 (B)		10
	1997	15	11
<b>Source:</b> Annual survey of NGOs, PVOs and registered political parties.	1998	20	
<b>Comments:</b> Prior Reference Year 1989: 1 This indicator has been refined from "advocacy groups" but the unit of measure remains the same. Advocacy groups include the Egyptian Center for Economic Studies, Presidents' Council, Federation of Egyptian Industries, Egyptian Exporters Associations/Trade Development Center, American Chamber of Commerce, and other Egyptian private sector business associations, and small and medium enterprise advocacy groups, e.g, Egyptian Businessmen's Associations in Alexandria, Assuit, Mansora, etc.	1999	21	
	2000	23	
	2001	25	
	2002	27	
	2003	29	
	2004 (T)	31	

Result No. 1.4: Accelerated Privatization and Strengthened Financial Markets			
<b>Indicator:</b> Credit extended to the private sector including privatized firms			
<b>Unit of Measure:</b> In billions of Egyptian pounds (LE): Total credit extended by all banks to the private business sector.			
	1994(B)*		37.9
<b>Source:</b> CAPMAS, World Bank, IMF, Central Bank, USAID	1995**	65.6	49.9
	1996	69.0	64.9
<b>Comments:</b>  * Data in calendar years; ** data in fiscal years (FYs 1995 to 2004)	1997	74.8	82.8
	1998	86.0	
	1999	99.0	
	2000	113.9	
	2001	131.0	
	2002	150.0	
	2003	175.0	
	2004(T)	200.0	
<b>Indicator:</b> Value of privatized firms			
<b>Unit of Measure:</b> In millions of Egyptian pounds (LE): Cumulative total of privatized firms based on 1991 book value.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1991(B)		245
<b>Source:</b> The source of the actual figures is the PEO records.	1992		289
	1993		341
<b>Comments:</b>	1994		2,945
	1995		2,945
	1996		7,382
	1997	11,916	11,729
	1998	12,200	
	1999	14,000	
	2000	15,800	
	2001	17,600	
	2002	19,800	
	2003	21,600	
	2004(T)	23,800	



Result No. 1.4.1: Expanded Institutional Capacities to Promote Small and Emerging Businesses			
<b>Indicator:</b> Small Enterprise Business (SEB) credit extended			
<b>Unit of Measure:</b> In millions of Egyptian pounds (LE): Total volume of credit provided by non-governmental organizations (NGOs) participating in USAID activities.	1995(B)	125	173
	1996	163	212
<b>Source:</b> NGO progress reports	1997	230	230
<b>Comments:</b> Prior Reference Year 1990: LE 5 million.	1998	250	
	1999	300	
	2000	400	
	2001	500	
	2002	600	
	2003	700	
	2004 (T)	800	
<b>Indicator:</b> NGOs reaching break-even			
<b>Unit of Measure:</b> Cumulative number of NGO SEB service units reaching operational break-even status in 2.5 years from the start-up of delivery of end-user services.	Year	Planned	Actual
	1995(B)	27	27
	1996	35	34
<b>Source:</b> NGO progress reports	1997	40	41
<b>Comments:</b> Prior Reference Year 1990: 0  Note: Each NGO may have multiple service units. Expansion targets over the next two years have been modified downward somewhat to give more attention to the needs of existing service units.	1998	45	
	1999	60	
	2000	80	
	2001	100	
	2002	120	
	2003	140	
	2004(T)	160	
Result No. 1.4.2: Expanded and Deepened Financial Services			
<b>Indicator:</b> Value/Volume of Shares Traded			
<b>Unit of Measure:</b> In billions of Egyptian pounds (LE)	1995	1.59	3.9
<b>Source:</b> Capital Market Authority (Tracked daily)	1996	1.63	10.97
<b>Comments:</b>  Planned targets have been revised upward based on progress to date.	1997	12	24.2
	1998	29	
	1999	36	
	2000	45	
	2001(T)	54	
<b>Indicator:</b> Volume of trading			
<b>Unit of Measure:</b> In millions of shares/bonds traded.	1993(B)		17.7
<b>Source:</b> Capital Market Authority	1994		59.8
	1995	38.1	72

				1996	39.4	208
				1997	300	372
				1998	400	
				1999 (T)	500	
<b>Indicator:</b> Market Capitalization						
<b>Unit of Measure:</b> In billions of Egyptian pounds (LE)				1995(B)		27
<b>Source:</b> Capital Market Authority				1996		48
<b>Comments:</b>				1997	60	71
				1998	70	
				1999	80	
				2000	90	
				2001(T)	100	
<b>Result No. 1.4.3: Increased Privatization Efforts</b>						
<b>Indicator:</b> Number of privatizations						
<b>Unit of Measure:</b> Cumulative number				1991(B)		4
<b>Source:</b> Public Enterprise Office (PEO) and USAID project records				1992		6
<b>Comments:</b> 1997 includes data through December 31,1997.				1993		7
				1994		21
				1995	10	23
				1996	25	42
				1997	62	70
				1998	75	
				1999	85	
				2000	95	
				2001(T)	105	

<b>Result No. 1.5: Increased Access to Reliable Power and Telecom Services</b>			
<b>Indicator:</b> Energy sales by electricity distribution companies to the commercial/investment sector			
<b>Unit of Measure:</b> MKWH	1995(B)		2,763
<b>Source:</b> Egyptian electricity distribution companies reports	1996		3,091
<b>Comments:</b>	1997	3,512	3,379
	1998	3,993	
	1999(T)	4,539	
<b>Indicator:</b> Telephone lines installed for business sector			
<b>Unit of Measure:</b> Cumulative in thousands of lines	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> Telecom Egypt	1995(B)		582
<b>Comments:</b> ARENTO has changed its name to Telecom Egypt	1996		646
	1997	710	715
	1998	800	
	1999	830	
	2000	870	
	2001(T)	900	
<b>Result No. 1.5.1: Increased Capacity of Power and Telecom</b>			
<b>Indicator:</b> Installed capacity			
<b>Unit of Measure:</b> Gross generation MW	1995(B)	12,978	12,978
<b>Source:</b> EEA	1996	13,308	13,027
<b>Comments:</b>	1997	13,867	13,303
	1998	14,337	
	1999	14,519	
	2000	14,725	
	2001(T)	14,889	
<b>Indicator:</b> Telephones installed			
<b>Unit of Measure:</b> In thousands - cumulative.	1995(B)	3,500	3,500
<b>Source:</b> Telecom Egypt	1996	3,850	4,015
<b>Comments:</b>	1997	4,515	4,513
	1998	5,015	
	1999	5,515	
	2000	6,015	
	2001(T)	6,515	
<b>Indicator:</b> Teledensity			
<b>Unit of Measure:</b> Lines per 100 population	1995(B)	4.4	4.4

<b>Source:</b> Telecom Egypt	1996	4.9	5
<b>Comments:</b>  Teledensity is calculated on the basis of numbers of existing lines divided by total population.	1997	5.5	6.8
	1998	6	
	1999	6.6	
	2000	7.3	
	2001(T)	8	
<b>Result No. 1.5.2: Improved Services of Power and Telecom</b>			
<b>Indicator:</b> Efficiency in the Unified Power System (UPS)			
<b>Unit of Measure:</b> % based on power generated per unit of fuel used.	1995(B)		38.3
<b>Source:</b> EEA	1996		38.9
<b>Comments:</b>  	1997	39.4	39.2
	1998	39.9	
	1999	40.1	
	2000	40.3	
	2001(T)	40.5	
<b>Indicator:</b> International telephone traffic			
<b>Unit of Measure:</b> Millions of message minutes	1995(B)		453
<b>Source:</b> Telecom Egypt	1996		485
<b>Comments:</b>  This indicator is a measure of increased access to international market information and increased business activity.	1997	520	530
	1998	557	
	1999	596	
	2000	635	
	2001(T)	674	

Result No. 1.5.3: Commercialization and Privatization of Power and Telecom			
<b>Indicator:</b> Regulatory Board for Power			
<b>Unit of Measure:</b> (1) indicates established; (2) being staffed, and (3) operational.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1995(B)		0
<b>Source:</b> Ministry of Electricity & Energy	1996		0
<b>Comments:</b>	1997	(1)(2)	(1)(2)
	1998	(2)(3)	
	1999	(3)	
	2000	(3)	
	2001(T)	(3)	
<b>Indicator:</b> Regulatory Board for Telecommunications			
<b>Unit of Measure:</b> (1) indicates established, (2) being staffed, and (3) operational.	1995(B)		
	1996		(1)
<b>Source:</b> Ministry of Transport and Communications	1997	(2)	(1)
<b>Comments:</b> -	1998	(3)	
	1999	(3)	
	2000	(3)	
	2001(T)	(3)	

<b>Indicator:</b> Self Financing Ratio			
<b>Unit of Measure:</b> Ratio of net revenue divided by average capital expenditures in previous, current and next year.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1995(B)		89
	1996	66	83
<b>Source:</b> Telecom Egypt	1997	80	96
<b>Comments:</b>	1998	80	
	1999	80	
	2000	80	
	2001(T)	80	
<b>Indicator:</b> Self Financing Ratio			
<b>Unit of Measure:</b> Ratio of net revenue generated divided by average capital expenditures in previous, current and next year.			
<b>Source:</b> EEA	1995(B)	20	
<b>Comments:</b>	1996	25	10.5
	1997	30	11.4
	1998	35	
	1999	35	
	2000	35	
	2001(T)	35	

Note: The indicator Private Built/Leased/Operating (BLO) Lines will be added in the next R4 Under 1.5.3.

## **SpO A: Increased Use of Egyptian Universities in Quality Development Research**

### **1. Performance Analysis:**

#### **Summary Performance Rating: Met Expectations.**

Performance under this SpO is now on track although significant delays were experienced last year getting implementation underway. For the one target that was set for 1997: Increased End-User Demand for University Research Services at 50 percent, expectations were greatly exceeded. A full 96 percent of all grants met the cost-sharing requirement. The indicators relating to the success, quality, and economic return of the research products of the linkage grants will only begin to be measured in 1998 as approved grants move well into implementation.

Over the past six months, 28 linkage grants between 8 Egyptian universities and 22 U.S. universities have been approved and implementation begun. Complex approval conditions have all been met relating to: (a) private sector participation (70% of end-users private); (b) cost sharing by end-users (minimum of 40%); (c) an HBCU set-aside (33%); and (d) a set of funding criteria ensuring the economic and developmental significance of the proposed research.

### **2. Progress Expected Through FY 2000 and Management Actions:**

The most significant obstacle facing this Special Objective today is the end date of December 31, 1999, which undermines the length of time that can be devoted to individual research activities. Implementation delays arose under SpO A early on when the ex-Minister of Higher Education imposed an extra ministerial approval requirement on grants and insisted that only grant proposals involving the most advanced research and technology could be considered, a departure from the more traditional research initially targeted by the Special Objective. Then, as the process moved forward, approvals for the bulk of the proposals were withheld for more than six months. Since the appointment of a new Minister of Higher Education in July 1997, a notable improvement has taken place. All pending grants with recommended approvals were immediately authorized, allowing the implementation rate to speed up. Nevertheless, start-up delays have meant existing mini grants will have to be cut back from a three-year research period as initially designed to 30-month durations. Mini grants will be cut back even further to 18-month durations as new grants come on line. This is far too short to achieve planned results. There are other negative side effects.

Grants with HBCUs are, of course, among those to be curtailed. Out of the 28 grants awarded, 11 (\$3 million) are with HBCUs. Six additional HBCU grants (\$1.35 million) are under consideration. A \$300,000 grant is also expected to be awarded to the National Association for Equal Opportunity in Higher Education, the organization lobbying for and coordinating HBCUs, bringing total planned HBCU activity to \$5 million.

Thirteen additional grants are in the pipeline for award, which will soon raise the total number of awards to 43. About 56 grants are expected to be awarded overall. This will involve about 13 Egyptian (about 600 researchers) and 50 U.S. universities. The research community has invested considerable time and effort in these grant proposals. Curtailment will not only undermine research work, it will also undermine the credibility of USAID, particularly with the Egyptian university community, an important group both economically and politically in Egypt.

Finally, the readiness of end-users, particularly those representing the private sector, to invest in the research indicates the high relevance of the selected research. It also demonstrates the respect that the program has generated in the products of Egyptian university researchers, supported and assisted by experienced U.S. counterpart university researchers. Based on the results of the Impact Assessment of University Linkages I, and the support generated for Phase II, as evidenced by the level of cost-sharing noted already, it is expected that most of the research grants will achieve economically and developmentally significant benefits to the end-users.

For the reasons noted above, the Mission requests a 15-month extension of SpO A to March 31, 2001, to allow sufficient time to complete research grants as planned. No additional funds are requested.



EGYPT		Approved: June 1996	
SPECIAL OBJECTIVE A: Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research			
Indicator: Research projects undertaken successfully to solve Egyptian development problems			
Unit of Measure: % of grants judged to have met success standards, based on a sample.	Year	Planned	Actual
	1997(B)		0
Source: USAID (external evaluation when grants are implemented).	1998	50	
Comments:	1999	75	
	2000	75	
	2001(T)	75	
Result No. A.1: Increased End-User Demand for University Research Services			
Indicator: Research grants implemented with significant end-user cost sharing			
Unit of Measure: % of research grants meeting cost sharing requirements.	996(B)		0
	1997	50	96
Source: USAID contractor reports	1998	50	
Comments:  Note: Minimum requirement is 40%.	1999	50	
	2000	50	
	2001(T)	50	
Result No. A.2: Strengthened/Expanded Cooperative Relationships between Egyptian and U.S. Universities and Egyptian End-Users, Especially from the Private Sector			
Indicator: High quality of research products			
Unit of Measure: % of research products judged to have met high quality standards, based on a sample.	1997(B)		0
	1998	75	
Source: USAID (external evaluation when grants are implemented)	1999	75	
Comments:	2000	75	
	2001(T)	75	

<b>Result No. A.3: Egyptian Development Problems Solved by Egyptian University Researchers</b>			
<b>Indicator:</b> Economic benefits accruing to end-users			
<b>Unit of Measure:</b> % of completed grants having an internal rate of return exceeding 30%, based on a sample.	1997(B)		0
	1998	25	
<b>Source:</b> USAID (external evaluation)	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Comments:</b>	1999	25	
	2000	25	
	2001(T)	25	

**SUBGOAL 2:**  
**Human Capacity Built Through Education**

**SO 2: Increased Participation of Girls in Quality Basic Education**

**1. Performance Analysis:**

**Summary Performance Rating: Met Expectations**

Progress was fully satisfactory. Expectations were exceeded on all indicators dependent on NGO implementation, which confirmed USAID's approach in using NGOs as major implementation partners. Over the past year cooperating NGOs have increased girls' desire to go to school, kept high risk girls in school, provided cost-effective access to schools and positively influenced the Ministry of Education's (MOE) system. In the policy arena, budget allocations for primary schools increased and barriers were removed for entry at preparatory schools by girls from one-room schools passing the fifth grade exam.

NGO activities created quality education opportunities for approximately 19,350 girls. The Center for Development and Population Activities' (CEDPA) "New Horizons" program illustrates an early success of an approach central to the USAID's strategy under this SO. Their participatory, innovative and student-centered program is strengthening life skills and raising the self-esteem of non-literate adolescents. CEDPA's success in the non-formal arena influenced the MOE to pilot the program in the one-classroom Mubarak Schools, an initiative sponsored by the First Lady, which should enrich the quality and relevance of the present curriculum.

Save the Children and CEDPA's scholarship/tutorial programs have sent girls to school in record numbers, with over 11,000 scholarships granted. Under the Save the Children program, girls receive relatively large scholarships and under CEDPA small ones. It is interesting to note that the dropout rate for girls in both programs is less than one percent. A small joint research effort by these NGOs will determine whether it is the stipend which attracts and keeps the girls in school or the attention paid to the girl by her family, the faculty and headmaster of the school in the process of granting and monitoring the scholarship, which encourages the girl to persist.

USAID has developed an urban community school model with Plan International. Plan was able to form parent/community committees to support schools, identify and train excellent facilitators, and create five small schools in Cairo in three months. The cost-effectiveness and relative ease with which Plan has succeeded underscores the need to use well positioned NGOs in local communities. This approach is key to USAID's broader program, which will begin in September 1998. (The large umbrella contract for this program was awarded in December, 1997.)

## **2. Progress Expected through FY 2000 and Management Actions:**

All indicators have been reviewed, revised and improved upon, as necessary. Both the national and regional level indicators added at the SO level reflect the dual impact of the SO 2 strategy: increased school enrollment of girls in rural Upper Egypt and decreased percentage of girls with no education (national average). The Interim Egypt Demographic and Health Survey (EDHS), which will be conducted on an annual basis to supplement the regular EDHS, provides SO 2 with a new reliable data source. The Mission requests USAID/W approval of the two added indicators.

There was considerable discussion at the Washington R4 review last year about the impact related to targeted governorates versus impact at the national level. USAID now believes that to state the strategic objective with geographic boundaries, i.e., in "targeted areas," does not sufficiently describe the scope of the desired impact. Since the small school program is the only geographically bound activity, expected results can be clearly delineated between targeted and national levels. Distance education activities, Sesame Street transmission, and training materials and methodologies do not have geographical limitations.

The Mission was also asked to consider modifying the literacy indicator, changing it from the number of girls receiving training to the number able to pass a third grade reading level test. Using the services of the contractor just mobilized under the ISIS program, it should be possible by the next R4 to change the way the indicator is measured. A consistent measurement of competency is likely to be equivalent to a fifth grade reading level.

USAID's review of trends and key assumptions under SO 2 indicates:

A key assumption was that the MOE would continue to support the community approach and to share responsibilities with NGOs and community development associations in its implementation. The assumption has been repeatedly tested and was recently confirmed at a large conference at Behira attended by the Ministers of Education, Environment, and Rural Development and high ranking representatives of the Ministry of Insurance and Social Affairs. All endorsed the community approach.

Activities supporting the community-based approach are important only insofar as they will eventually improve classroom practices and the quality of education throughout the MOE primary system. Therefore, USAID's output of 1,000 classrooms, while significant in providing opportunities for 30,000 girls in four years, is not seen simply as an end in itself but also as a means to improve quality. The MOE's Small Schools Division wishes to have one system which will combine the best of the UNICEF model, the First Lady's Mubarak Initiative model, USAID-funded schools, and urban, Shrouk, and NGO schools. USAID assistance would initially affect approximately 5,000 schools by providing modern, girl-friendly teaching methods supported by communities and parents who were more closely engaged in and benefiting from community schools.

USAID, through close cooperation with the World Bank/European Union (WB/EU) Educational Enhancement Program and the MOE, plans to use teaching models developed for small schools at the faculties of education to improve primary teaching methodologies and pre-service training. The community support mechanism developed for the 1,000 schools will be transferred to other school models as well and will eventually influence how the MOE system relates to parents and communities.

A year ago, the MOE asked USAID to assess primary education in all types of schools. It was expected that the assessment would collect baseline data on quality and be a major vehicle for transferring best practices known in the community school model to regular MOE primary schools. Recently, USAID was asked to drop MOE schools from the primary assessment, scheduled to begin February 15. The MOE also requested a return to a substantial school construction program, asserting that access is the major constraint to girls' attendance and citing recent statistics showing rising rural enrollment it claims is due to its energetic building program in Upper Egypt. The EDHS, on the other hand, shows that lack of access accounts for only 1.7% of non-attendance in rural Upper Egypt with 48% of young women not attending due to "quality" issues. Research also indicates that investment in formal basic education, unless supported by correct and enlightened education policy, does not have the high rates of return often attributed to it. USAID is committed to a program which does not separate quality from access. USAID's approach works through NGOs to strengthen communities' abilities to take more responsibility educating their young. It is a strategy that has some independence from the highly centralized governmental system. At the same time, USAID is working with other donors to bring about changes within the system which would make more direct investment feasible.

Dialogue will continue with the MOE; however, the recent questioning of standing agreements points to serious institutional weaknesses within the MOE. The WB/EU has dealt with the weaknesses by setting up an independent project management unit. USAID elected not to follow that example in order to institutionalize concepts of community support and innovative practices within the MOE's Small Schools Department. The Mission will reassess this operational approach.

USAID will also continue to expand NGO-supported girls' life-skills, basic education and literacy activities in rural Upper Egypt and urban slums. In an effort to respond to the MOE's building request, USAID will expand NGO grants to allow for local building of small schools. Work will continue with the General Department for In-Service Training and the National Center for Examinations and Educational Evaluation to train NGO facilitators and MOE one-classroom teachers on practices which will allow them to be effective in multi-graded situations.

At the same time the Mission will look at the U.S.-Egyptian Partnership goals to see how the USAID strategy should be altered to support the Partnership more closely. There is some evidence that economic growth can be stimulated and supported through higher level skills training and training linked directly to employment, especially in selected technological

fields. The Mission already supports higher level skills training through SpOs A and E. Further sharpening of the focus of these programs, consolidating English language training, and working with the Ministry of Higher Education to improve pre-service training are areas the Mission will explore to improve Egypt's human resource capacity development.

## EGYPT

Approved: June 1996

## STRATEGIC OBJECTIVE 2: Increased Participation of Girls in Quality Basic Education

**Indicator:** Increased school enrollment of girls in rural Upper Egypt**Unit of Measure:** Percentage of girls (ages 6-10) in rural Upper Egypt currently enrolled in basic education**Source:** Egypt Demographic and Health Survey (EDHS)\***Comments:** \*Data from the annual update will use a smaller sample and thus has greater margin of error, which should be corrected every four years. Targets are set accordingly.

Targets will be revised upward as better data becomes available and implementation gets underway. Existing data (Fergany, June 1996) indicates there are at least 451,000 girls out-of-school (ages 6-10) in rural Upper Egypt.

Year

Planned

Actual

1995/96(B)

54.4

1996/97

62.5\*

1998/99

65

1999/20

67

2000/01(T)

69

**Indicator:** Decreased percentage of girls with no education (national average)**Unit of Measure:** Decrease in the percentage of Egyptian girls who have had 0 years of education using the national average data**Source:** EDHS**Comments:**

\*First figure is percentage of girls in age group 6-9 years; second figure is for age group 10-14. .

1994/95(B)

19.3/17.1

1996/97

17.8/15.8\*

1997/98

16/14

1998/1999

15/13

1999/2000

14/12

2000/2001

13/11

**Indicator:** Girls receiving quality basic education through USAID interventions**Unit of Measure:** Cumulative number of girls benefitting from USAID support.**Source:** Ministry of Education (MOE), USAID**Comments:** (Note: Some corrections have been made of targets in previous submission.) Target estimates based on classrooms x pupils, are as follows:

1,000 x 30 = 30,000: USAID rural model (80% girls)

100 (schools) x 600 = 60,000: USAID urban model (60% girls)

4,000 x 30 = 120,000: Mrs. Mubarak Initiative (100% girls) including 1,000 financed by Shrouk

200 x 30 = 6,000: UNICEF (80% girls)

150 x 30 = 4,500: Social Fund for Development (80% girls)

CEDPA &amp; SAVE-Sponsored Scholarships (100% girls)

1996/97(B)

0

1997/98

600

11,128

1998/99

60,000

1999/00

175,000

2000/01(T)

225,000

<b>Indicator:</b> Girls receiving literacy and life skills training			
<b>Unit of Measure:</b> Cumulative number of adolescent girls in USAID-funded literacy and life skills programs.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1996/97(B)		0
<b>Source:</b> MOE, USAID	1997/98	5,000	8,076
<b>Comments:</b>  ISIS contractor will work with grantees to develop a literacy measurement, most likely at a fifth grade reading level, to replace the input measurement next year.	1998/99	15,000	
	1999/2000	25,000	
	2000/01(T)	40,000	
<b>Indicator:</b> Preschool children better prepared for school by Egyptian "Sesame Street"			
<b>Unit of Measure:</b> In thousands: Cumulative number of girls receiving early education through Egyptian "Sesame Street" out of a potential population of 6 million 3 to 5-year-olds.	1997/98(B)		0
	1998/99	6*	
<b>Source:</b> MOE, USAID	1999/00	6	
<b>Comments:</b>  * Number depends on how the TV program will be piloted. ** Constitutes a minimum number.	2000/01(T)	1,500**	
<b>Indicator:</b> Girl's pass rates on third year exam			
<b>Unit of Measure:</b> Pass rates of girls in USAID-supported schools/students compared to those in regular MOE and private schools.	1997/98 (B)	N/A	N/A
	1998/99	TBD	
<b>Source:</b> MOE, USAID	1999/00	TBD	
<b>Comments:</b>  No data will be available until 2000. Current MOE figures show that the average pass rate of students is 65% in MOE schools, 75% in private schools and 100% in UNICEF community schools. In addition to pass rates, other quality measurements are being developed through the primary school assessment to be completed March 1998.	2000/01 (T)	90	
<b>Indicator:</b> Drop-out rate between grades 3 and 4			
<b>Unit of Measure:</b> % of children in USAID-supported schools who drop out	1997 (B)		0
	1997/98	5	1
<b>Source:</b> MOE, USAID	1998/99	5	
<b>Comments:</b>  Student dropout rate in two USAID scholarship programs is 1%	1999/00	5	
	2000/01 (T)	5	



**Result No. 2.1: Increased number of classrooms in which constraints to girls' attendance removed****Indicator:** Classrooms encouraging girls' attendance**Unit of Measure:** Cumulative number of USAID-supported classrooms in the target areas giving priority to girls.**Source:** MOE, USAID**Comments:**

Year	Planned	Actual
1997(B)		0
1997/98	0	5
1998/99	100	
1999/00	450	
2000/01(T)	1,000	

**Indicator:** Small schools using multi-grade curriculum**Unit of Measure:** Cumulative number of small schools using multi-grade curriculum developed with USAID support. Pool includes USAID/MOE, MOE, UNICEF/MOE and SFD/MOE small schools.**Source:** MOE, USAID**Comments:**

Multi-grade curriculum includes interactive and student-centered teaching methodologies, emphasis on problem solving and gender sensitivity.

1997 (B)		0
1997/98	0	5
1999/00	1,000	
2000/01(T)	3,000	

**Result No. 2.2: Increased Demand for Girls' Education****Indicator:** Committees formed at village level to support launching of small schools**Unit of Measure:** Cumulative number of committees formed in target areas.**Source:** MOE, USAID**Comments:**

1997 (B)		0
1997/98	10	5
1998/99	110	
1999/00	460	
2000/01	1,000	

**Indicator:** Egyptian NGOs trained to support quality girls' education**Unit of Measure:** Cumulative number of ENGOs trained in community mobilization, supervision, engendering education.**Source:** USAID**Comments:**

Some ENGOs currently support as many as 175 small schools. Others may support only two or three. As a consequence, this number may vary widely.

1997 (B)		0
1997/98	10	13
1998/99	50	
Year	Planned	Actual
1999/00	75	

	2000/01 (T)	100	
<b>Indicator:</b> Demand expressed by parents in targeted areas.			
<b>Unit of Measure:</b> % - based on Knowledge, Attitudes, Practices (KAP) surveys and focus groups testing families' awareness.	1997 (B)		
	1997/98	0	0
<b>Source:</b> USAID	1998/99	60	
<b>Comments:</b> Parental interviews will be conducted as part of the Primary School Assessment to be completed by 3/98.	1999/00	70	
	2000/01	80	
<b>Result No. 2.3: Improved National Policy Environment</b>			
<b>Indicator:</b> Progress achieved on basket of identified policy reforms			
<b>Unit of Measure:</b> Cumulative number of reforms met. No predetermined order of achievement.	1996 (B)		0
	1997/98	1	1
<b>Source:</b> MOE, USAID	1998/99	1	
<b>Comments:</b> Reform basket includes: Primary school budget allocations increased; private-public sector dialogue and national female education strategy regularized; barriers removed for girls from non-formal classrooms accessing formal classrooms; and barriers removed for girls from 5th grade literacy levels to enter preparatory schools	1990/00	2	
	2000/01(T)	3	

**SUBGOAL 3:**  
**Improved Environment for the Growth of Democracy**

At the subgoal level, the Mission uses the Freedom House index for monitoring Egypt's political development. The 1996-97 overall freedom rating for Egypt remains "not free." Scores on political rights and civil liberties are both 6 on a scale of 1 - 7, with 7 being the worst. The Mission's recent report called the "Amun Oracle," a panel survey of knowledgeable Egyptians, indicates at least some progress in social policy reform and minor progress in government bureaucratic reforms. The report suggests a more favorable evaluation now than in 1995 when conditions were judged to be slowly eroding.

Goal II of the USG Country Team Mission Program Plan for FY 1997-2001 promotes the creation of a judicial, legislative and regulatory environment that is business friendly and conducive to economic development. USAID participates in the U.S. Embassy-led Institutions of Democracy Working Group along with USIS to collaborate on shared objectives.

**SO 3: Increased Citizen Participation in Public Decision-Making**

**1. Performance Analysis:**

**Summary Performance Rating: Failed to Meet Expectations**

Over the past year, SO 3 moved from a partially to a fully approved SO, with the identification and approval of indicators for measuring progress for civil society organizations (CSOs) at the SO level (see 97 SecState 154791). Although significant progress was made in facilitating the process to lift legal/regulatory restrictions on CSOs, decentralization, and participation at the local government level has not improved as expected. Concerns over progress in that component of the strategy led USAID to commission a program review of the supporting Participatory Rural Governance Program (PRGP) results package.

USAID has long supported CSOs as building blocks of democracy. In 1997, ongoing activities under the PVO Development and Community Resource Mobilization projects (CRM is a small grant with CARE) continued to strengthen the capacity of CSOs to identify social problems, develop plans for resolution, and implement solutions. This resulted in community development activities being carried out by more than 175 community organizations.

Another small supporting activity with the American Center for International Labor Solidarity (ACILS) (formerly the African-American Labor Center) has enhanced the leadership skills of 396 labor unionists of which 231 are women. ACILS is helping the Egyptian General Trade Union Federation (membership of 4,500,000) shift from a state-controlled to a free, democratic trade union through extensive educational programs, exchange visits to the United States, and the provision of equipment and materials. Training of trainers led to the preparation and use of teaching modules in Arabic on privatization, collective

bargaining, and organizing labor leaders. ACILS conducts special programs for women to enhance their skills in labor union efforts. Six union women leaders receiving U.S. training are helping organize 1,200 hotel workers in Upper Egypt and holding seminars in Alexandria. An ACILS seminar for women union leaders contributed towards the revision of maternity leave provisions of the Labor Law.

A second phase was approved in 1997 for the PVO Development project to bring it into alignment with SO 3 objectives. This adds a new concentration -- participation and advocacy -- to successful ongoing institutional strengthening efforts. USAID worked closely with a group of CSOs to develop the customer-oriented NGO Service Center RP. Four workshops on institutional and technical strengthening, training of trainers, and development of the Service Center have forged a critical core group of CSO partners committed to working alongside USAID for increased citizen participation.

The effort to remove legal and regulatory restrictions on CSOs (IR 3.2) advanced significantly during 1997. CSOs and donors agreed in general on a common agenda for reforming Law 32. USAID participated in a donor-supported CSO-led initiative that resulted in the formation of a CSO committee to work on the development of a new law. Approximately 50 persons -- including CSO representatives from Upper Egypt, Parliamentarians, Ministry of Insurance and Social Affairs (MISA) staff, a civil company representative, academics and experts -- participated, producing a draft conceptual framework for a reformed law. USAID commissioned and shared with the committee a study on the "best practices" of existing laws governing CSOs internationally. The GOE is drafting a reformed law but is not prepared to share the draft language. The Minister of Insurance and Social Affairs has indicated publicly that a revised law will be submitted to the legislative body during the current session which ends June 1998. Current IR 3.2 indicators will be updated once the remaining steps needed to finalize a reformed law are clear.

Performance under SO 3 and IR 3.3 related to devolution of authority has not met expectations, principally because of slow GOE performance on policy and institutional reform. The GOE met benchmarks for the first \$10 million tranche disbursement under PRGP in May 1997, one of three planned disbursements for the two-year activity. Accordingly, the GOE has established the technical assistance secretariat for managing the Shrouk program, elaborated procedures for the program, agreed in principle that Shrouk local unit committees should control the use of Shrouk community resources, and included annual increases of 17 percent for Shrouk activities in their five-year plan.

Since its inception in 1994, Shrouk operations have been expanded to more than 350 of the 1,060 local units in Egypt, supported more than 1,000 community projects and at least 3,000 individual business loans in more than 1,500 villages. But the program has not achieved many of the expected results related to the devolution of fiscal and operational authorities nor the development of participatory democratic practices. Because of concerns about the quality and pace of reform, in the spring of 1997, an independent monitoring, verification and evaluation (MVE) contractor was tasked with a formal review of progress,

including verifying implementation of the policy and regulatory reform actions. The review, completed in early February 1998, used multiple data collection techniques at the village level and noted the following relative to planned results:

- Shrouk operations: Data indicate that a substantial majority of villagers believe Shrouk committees have been responsive to citizen priorities and that their perceptions of responsiveness are correlated with the time Shrouk has been active in a village. On the other hand, more work is needed to develop and disseminate adequate guidelines to Shrouk committees. The lack of well articulated and available guidelines have likely contributed to the finding that activity proposals have not for the most part included plans for operations and maintenance and addressed environmental impact issues.
- GOE support: The GOE has steadily increased its budgetary support for Shrouk. However, the accelerated expansion of Shrouk nationwide by the GOE implementing organization, the Organization for Reconstruction and Development of Egyptian Villages (ORDEV), will result in substantial reductions in funding available for each Shrouk village.
- Devolution of fiscal authority: The review provides evidence that Shrouk local committees have taken some responsibility for managing funds contributed locally to Shrouk activities; but, management of GOE funds remains the prerogative of higher level officials.
- Devolution of operational authorities: The ORDEV director and "father" of Shrouk has been extremely successful in promoting his "brainchild" within the GOE by enlisting the support of the First Lady of Egypt. However, there is little evidence of official approval for or implementation of policies, regulations and resources that will lead to a shift of operational authority outside of the Shrouk main office in Cairo.
- Development of participatory democratic practices: Accountability and transparency are two important characteristics of good participatory practices. Shrouk has not yet presented to and obtained ministerial committee approval for program guidelines (including implementation procedures); recommended methods to improve the participation of women; or identified a framework for actively involving Shrouk communities in the planning and oversight of their human service delivery programs.
- Realistic expectations: The review suggests that PRGP may be too ambitious with respect to the extent of the expected devolution of authority to the local level given the history of the highly centralized system in Egypt and central leadership reluctance to transfer a substantial level of authority to lower levels. It also indicates there may be some value in pursuing participation objectives at the local level with more realistic targets for transferring authority. As USAID reviews findings with GOE counterparts, it will explore what level of devolution the GOE is actually willing to undertake and how that might be operationalized.

In addition to raising concerns about Shrouk implementation, the program review identified shortcomings of a number of indicators, their assumptions and approaches for

measuring results at the SO and IR 3.3 levels. RIG auditors have also raised questions about a number of the current indicators. Rather than refining the indicators, baselines, and targets for this R4 submission and risk having to re-do them as we reassess with GOE officials what can be achieved, the Mission has decided to refine the indicators and measurements over the upcoming months based on decisions with the GOE regarding the PRGP review findings.

## **2. Expected Progress though FY 2000 and Management Actions**

Completing negotiations for the NGO Service Center activity, an important activity to achieve results under IR 3.1, will involve resolving several critical issues. The GOE wants to exclude civil companies from participation in the activity because these organizations are outside their sphere of control and, in their view, are legally prohibited from carrying out development activities. Approximately 150-200 organizations are registered as "civil companies" to avoid Law 32-mandated government involvement in their activities, operations and fund raising or to obtain Egyptian government recognition of their organization when their activities (e.g., human rights) do not qualify for Law 32 registration. USAID and the Embassy have been emphasizing the relative merits of including civil companies in this activity and in a reframed Law 32. USAID considers civil companies important because they work in critical areas of citizen participation and human rights.

While USAID and MISA agree that the Service Center activity can help strengthen the technical, managerial and financial capacities of Egyptian CSOs, MISA also wishes to: (a) focus available USAID resources more directly on service delivery and poverty alleviation in prescribed areas, and (b) have more authority over the Center's management and operations. USAID continues to point out the principal objective of the activity is increased citizen participation whereas other USAID-funded activities support service delivery or will be able to do so through "buy-ins" to the Service Center. The Mission continues to emphasize the importance of building sustainable CSO capacity through a mechanism governed by CSOs, as demonstrated by the success of PVO Development and similar activities worldwide. In December 1997, the Minister of MISA agreed that while the GOE proceeds with the reform of Law 32 (ideally resulting in less control by the GOE over NGO affairs), USAID and MISA will continue to discuss the terms of the new Service Center. Agreement negotiations are expected to be completed the third quarter of 1998. Procurement and TA will follow.

With regard to performance monitoring for CSO activities, baselines and targets will be established in FY 1998 under phase two of PVO Development which begins in February 1998. The baseline will be modified again in FY 1999, drawing data from surveys to be conducted in conjunction with the NGO Service Center activity. Final baseline and target data for CSO SO and IR 3.1 indicators are expected to be in place during the first six months of FY 1999.

Sub-grants under PVO Development will strengthen citizens participation through the activities of more than 20 U.S.PVOs and Egyptian CSOs. USAID will also continue technical workshops as effective mechanisms for transferring advocacy skills to CSOs and

improving the organizational base for more than 50 "apex" (key partner) CSOs and their hundreds of client grassroots organizations. During the latter half of FY 1998 the mid-term evaluation of the CARE Community Resource Mobilization effort will assess progress with more than 100 Egyptian CSOs on institutional strengthening and increased participation in addressing community development problems.

During FY 1998 ACILS will continue to train labor leaders to be better organizers, managers and advocates for workers' rights. An additional 250 women leaders are expected to be trained. A new training module on grievance procedures will be prepared and ACILS will continue support for workers' participation in the reform of the Labor Law.

Progress toward the reform of Law 32 will continue to be monitored through new indicators. Current indicators for IR 3.2 will be replaced once USAID has more information about the language of the draft reform law so that joint CSO/GOE reform efforts can be effectively monitored. A related future task is formal discussion with government officials of the "best practices" study and the development of benchmarks of reduced restrictions. These benchmarks will be used in the SPR policy reform process and provide additional information or an indicator for future results reporting.

USAID is at a crossroads with respect to how best to achieve IR 3.3 devolution of authority results. The GOE submitted documentation in December 1997 supporting second tranche benchmark performance six months behind schedule. Before the Mission can review performance on benchmarks, it must first address the serious procedural and structural constraints impeding implementation of the Shrouk program as identified by the program review completed in February 1998. The review of findings will be completed with GOE counterparts and alternative courses of action recommended to Mission management during the second quarter of FY 1998. A range of options will be considered including ending PRGP as scheduled in September 1998, extending the time period for PRGP, or redesigning PRGP. Regardless of the option selected, the Mission plans to explore alternative or complementary means to achieve IR 3.3 results. Funding requirements will be considered within the context of this effort.

It is important to note that USAID initially embarked on the PRGP effort as a pilot activity to determine to what extent this approach could achieve decentralization and devolution results. While it is still too early to judge the effectiveness of this or a modified approach, it is clear from evidence gleaned thus far that Egyptians do desire to become more actively engaged in development activities at the village level. The Mission believes it is important to build upon this desire if the country is to evolve politically. It is for this reason that USAID plans to remain involved in decentralization efforts, either through Shrouk or an alternative approach.

EGYPT		Final Approval: August 1997	
STRATEGIC OBJECTIVE 3: Increased Citizen Participation in Public Decision Making			
Indicator: Public decision maker acknowledgements of positions held by CSOs			
Unit of Measure: Number of acknowledgements based on: inclusion of CSOs in public fora on issues; media inclusion of CSO positions; documented discussions or negotiation meetings between CSOs and decision makers; and official confirmation of CSO rights to raise issues in public fora (e.g., granted permission to hold public meetings or events, official participation in CSO-sponsored meetings or events focused on issues, etc.	Year	Planned	Actual
	1998 (B)		
	1999		
	2000		
Source: Primary Implementing Entity (PIE) and NCNW	2001		
Comments:  Impact by 2004 is expected to be 50% of baseline, when established.  Targets will be established when baseline surveys are completed in FY 1998 for PVO Development and in FY 1999 for NGO Service Center activity.	2002		
	2003		
	2004(T)		
Indicator: CSO self-perceived effectiveness at advocacy			
Unit of Measure: Annual CSO reports of effectiveness.	1998(B)		
Source: CSOs, collected by PIE	1999		
Comments:  This interim indicator will be refined in FY 1998 and dropped.	2000		
	2001		
	2002		
	2003		
	2004 (T)		
Indicator: Shrouk committees responsive to citizen input in establishing priorities			
Unit of Measure: % of target village population indicating committee responsiveness to citizen priorities (by M/F).	1997(B)	25/15	35/28
	1998	39/33	
Source: Survey by Monitoring, Verification and Evaluation (MVE) contractor under PRGP	1999	43/38	
	2000	47/43	
Comments:	2001(T)	50/50	



<b>Indicator:</b> Shrouk village ownership and responsibility for development management.			
<b>Unit of Measure:</b> Index of villages - score medium to high (includes only villages enrolled in the program 3 to 5 years).	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1997(B)	15	N/A
<b>Source:</b> USAID MVE contractor	1998	20	
<b>Comments:</b>  If retained, the index for this indicator will be further developed.	1999	25	
	2000	30	
	2001(T)	35	
<b>Indicator:</b> Shrouk committees still engaged in development decision-making after 2 years			
<b>Unit of Measure:</b> % based on progress reports.	1997(B)	80	100
<b>Source:</b> USAID MVE contractor	1998	85	
<b>Comments:</b>	1999	85	
	2000	90	
	2001(T)	90	
<b>Result No. 3.1: Increased Civil Society Organization participation in public decision making.</b>			
<b>Indicator:</b> Actions to influence public policy, practice or attitudes.			
<b>Unit of Measure:</b> Number of CSO actions designed to increase public participation: participatory needs assessments, participatory project design processes, public information campaigns, etc.			
	1998 (B)		
	1999		
<b>Source:</b> CSOs and CDAs, collected by NCNW and PIE	2000		
<b>Comments:</b>  The target for 2004 is an estimate based on a limited sample. Baseline/targets will be established in FY 1998 under the PVO Development Project and refined in FY 1999 under the NGO Service Center activity.	2001		
	2002		
	2003		
	2004(T)	350	

<b>Result No. 3.2: Reduced Restrictions on Civil Society Organizations (CSOs)</b>			
<b>Indicator:</b> CSO and donor agreement on common agenda for reform of Law 32			
<b>Unit of Measure:</b> Number of NGO presentations to Law 32 Committee resulting in "language " incorporated in final document.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1998		
	1999		
<b>Source:</b> USAID Records	2000		
<b>Comments:</b> This indicator is no longer appropriate for the reform process underway and will be replaced next year.	2001(T)		
<b>Indicator:</b> CSOs advocacy of reduced restrictions on civil society			
<b>Unit of Measure:</b> Number of position papers (following priorities set by consensus document) or presentations to executive branch or legislators analyzing specific effects of Law 32.			
	1997(B)		3
	1998		
<b>Source:</b> USAID Grantees	1999		
<b>Comments:</b>  This indicator is no longer appropriate for the reform process underway and thus will be replaced.	2000		
	2001(T)		

<b>Result No. 3.3: Incremental Devolution of Authorities to the Local Level</b>			
<b>Indicator:</b> Procedures adopted to ensure devolution of authority			
<b>Unit of Measure:</b> Yes/No responses for (a), (b), and (c).	<b>Year</b>	<b>Actual</b>	<b>Planned</b>
<b>Source:</b> USAID MVE contractor	1997(B)	(a)	No
<b>Comments:</b>  (a) Shrouk committees control GOE Shrouk Funds; (b) Shrouk committees control sub-accounts; (c) Majority of Shrouk members approve expenditures.  * 1996 baseline was incorrectly reported before actual implementation had been determined by MVE contractor.  * * The MVE contractor report indicates 1996 baseline was incorrect.	1998	Yes	
	1999	Yes	
	2000	Yes	
	2001 (T)	Yes	
	1996 (B)	(b)	No*
	1997	Yes	No
	1998	Yes	
	1999	Yes	
	2000	Yes	
	2001(T)	Yes	
	1996(B)	(c)	No**
	1997	Yes	No
	1998	Yes	
	1999	Yes	
	2000	Yes	
	2001 (T)	Yes	
<b>Indicator:</b> New long-term mechanisms accepted by the GOE for financing rural development programs			
<b>Unit of Measure:</b> Number of new mechanisms adopted by GOE.	1996(B)	0	0
<b>Source:</b> USAID MVE contractor	1997	0	0
<b>Comments:</b>	1998	0	
	1999	0	
	2000	2	
	2001(T)	3	

<b>Indicator:</b> Long-term financing mechanisms used by village Shrouk committees or local entities			
<b>Unit of Measure:</b> (and targets) TBD	1996(B)		0
<b>Source:</b> USAID MVE contractor			
<b>Indicator:</b> Shrouk rural development program guidelines are (a) accepted by GOE, (b) widely disseminated, and (c) adequately publicized.			
<b>Unit of Measure:</b> Yes/no responses for (a), (b) and (c). (b) Means most local popular councils and Shrouk committees have copies; (c) means that there has been mass media publicity concerning core principles (TV, radio, press, posters.)	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1996(B)	(a)	No
	1997	Yes	No
	1998	Yes	
	1999	Yes	
<b>Source:</b> USAID MVE contractor	2000	Yes	
<b>Comments:</b>	2001(T)	Yes	
	1996(B)	(b)	No
	1997	No	No
	1998	No	
	1999	Yes	
	2000	Yes	
	2001(T)	Yes	
	1996(B)	(c)	No
	1997	No	No
	1998	No	
	1999	Yes	
	2000	Yes	
	2001(T)	Yes	
<b>Indicator:</b> Shrouk committees implementing Shrouk guidelines			
<b>Unit of Measure:</b> % of Shrouk committees.	1995(B)	0	0
<b>Source:</b> USAID MVE contractor	1996		
<b>Comments:</b>  Indicator requires further definition.	1997		
	1998		
	1999		
	2000		
	2001(T)	85	
<b>Indicator:</b> Shrouk committee investment proposals include cost estimates and plan for generating operation and maintenance funds.			
<b>Unit of Measure:</b> % relevant proposals prepared at governorate level.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>

<b>Source:</b> USAID MVE contractor	1996(B)	0	0
<b>Comments:</b>	1997	10	0
	1998	33	
	1999	40	
	2000	50	
	2001(T)	60	
<b>Indicator:</b> Mechanism created to ensure funding exists when needed by Shrouk committees for longer term projects			
<b>Unit of Measure:</b> Yes/no that GOE creates a mechanism.			
<b>Source:</b> USAID MVE contractor	1996(B)	No	No
<b>Comments:</b>	1997	No	No
	1998	Yes	
	1999	Yes	
	2000	Yes	
	2001(T)	Yes	
<b>Indicator:</b> Shrouk committees that report that funding is available when needed for multi-tranche projects			
<b>Unit of Measure:</b> % of sample of Shrouk committees undertaking long-term implementation	1996(B)	0	0
	1997	50	*
<b>Source:</b> USAID MVE contractor	1998		
<b>Comments:</b>  * Since there is no funding mechanism for multi-tranche projects, no villages could report accurately that funding is available for them.	1999		
	2000		
	2001(T)		

<b>Indicator:</b> Shrouk committee infrastructure proposals which address and minimize adverse environmental impacts			
<b>Unit of Measure:</b> % of sample infrastructure proposals.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1996(B)	0	0
<b>Source:</b> USAID MVE contractor sample of proposals	1997	35	8
<b>Comments:</b>	1998	35	
	1999	65	
	2000	75	
	2001(T)	90	
<b>Indicator:</b> Key recommendations from study of women's participation in Shrouk committees implemented			
<b>Unit of Measure:</b> TBD	1996(B)	0	0
	1997	TBD	
<b>Source:</b> USAID MVE contractor review/field observation.	1998	TBD	
<b>Comments:</b>  An actionable study has yet to be produced to use as a basis for establishing baseline targets.	1999	TBD	
	2000	TBD	
	2001(T)	TBD	

## **SpO B: Increased Use of Information by the Legislature in Decision-Making**

### **1. Performance Analysis:**

#### **Summary Performance Rating: Met Expectations.**

Analysis indicates that information is being used more extensively in legislative discourse and Members of Parliament (MPs) increasingly demand information and express satisfaction with the information services received.

Minutes of the Parliament's meetings are the main source for assessing results at the SpO level. Minutes are also being used as a proxy for performance at the IR levels in lieu of Parliamentary records and MP questionnaires. This change came about due to MP sensitivity that emerged when Amendment No. 2 of the Decision Support Services (DSS) Grant Agreement went to the Parliament for ratification in November 1987 around the same time the DSS activity contractor initiated the data gathering and analysis for this reporting period. Concern surfaced over the potential influence of this activity on the sovereignty of the decision-making process at the Parliament, especially as instruments such as MP and staff interviews and internal records were to be used. The Mission continues to discuss this issue with the Egyptian government and Parliament to ensure monitoring and reporting requirements will be adequately met in a manner acceptable to all.

At the SpO level, the targets for the People's Assembly (PA) and Shura Assembly (SA) were met based on a comprehensive content analysis of the PA minutes (84 sessions). Heightened awareness of and increased use of information services by the PA and SA were indicated in three major areas: legislative function, oversight of the executive, and approval of the state budget. The quantity of the information used in the debates (measured by the numbers of times specific facts were cited) increased by 47 percent, or from 11,000 bits last cycle to more than 16,000 bits this cycle. Moreover, there was a considerable shift towards the use of hard and numerical information in the legislative debates. The citing of numbers, statistics, and percentages increased by 38 percent in comparison with the earlier cycle.

This quantitative improvement was verified by qualitative and anecdotal observations by the contractor's staff who have gained some access to staff and MPs. Analysis and observation together confirm that the number of MPs who are actively involved in the legislative process (i.e., those who took the floor and made formal statements) is increasing and was particularly high during discussions of the state budget and the carrying out of oversight functions.

Notwithstanding that the SA is strictly a consultative body and not performing any oversight, legislative, or decision-making functions, the analysis of its minutes indicates that there has also been a significant shift towards the use of hard and numerical information in their debates. The citing of numbers, statistics, and percentages increased by 40 percent.

At the IR B.1 level, MP demand for improved information services continued to increase in 1997. While the lack of records other than the minutes makes it difficult to ascertain the percentage increase in demand, a quantitative content analysis of the legislative minutes indicates a slight increase in the number of requests made for information services. Data indicate that more than 20 percent of the information used in debates came directly from the PA/SA information services, including the research department, computer center, library, and committees. Furthermore, meetings with the PA/SA staffers and the core group of MPs who have participated in DSS activities confirm that MP awareness of and demand for information continues to grow. Accepting that supply stimulates demand, the increase in the supply of information which took place in the Parliament during this reporting cycle could be associated with an increase in demand. Specific examples include the library staff's preparation and assembly of "issues files" and other documents through the newly created research services unit (RSU) of the library. During 1997, the number of products produced by the RSU increased threefold, from 55 to 150. Recent reports show that demand for RSU services now exceeds its capacity to respond. The parliamentary research center has also begun to produce new products to meet MP demand, including short summaries offering alternative perspectives on issues currently being debated in plenary.

Observations and informal interactions with MPs and staff indicate that equity and accessibility to information services by all MPs is not a concern. This was confirmed at the end of the Parliamentary session in June 1997 when MPs from both the ruling and opposition parties expressed appreciation for the information services received.

At the IR B.2 level, information services continued to improve. Again, the lack of a direct instrument makes it difficult to obtain the percentage increase of MPs who express their satisfaction with the information services received. The increased use of information in the Parliament, verified by the content analysis of its minutes, is a reasonable proxy for self reports of increased satisfaction with information services received. The contractor's observations and exchanges with the staff and the core group of MPs who have participated in DSS activities confirm that MP satisfaction with services received is growing. Therefore, the increase in services to MPs might also be used as a proxy for increased satisfaction. As cited in IR B.1, the library staff's has been preparing and assembling issues files and other documents through its newly created research unit and the parliamentary research center is producing new products as well. In addition, the library is improving its services by revising its collection and management policies, cataloguing systems, and reference services. It is also developing a newsletter and input for the electronically based information monitor (information channel) set up in common areas of the Parliament.

## **2. Progress Expected Through FY 2000 and Management Actions:**

Because of heightened concern among MPs about the issue of sovereignty and the fear or perception of potential foreign influence on parliamentary decision-making process through the DSS activity, contact with MPs, both from the ruling party and opposition, continues to be



non-systematic and subject to the existing political climate, i.e., depending on the sensitivity to internal and external happenings in the political arena at the time. Their concern led the Parliament to request a reorientation and refocusing of the DSS implementation strategy to minimize the appearance of potential influence on the decision-making process. The Parliament specifically requested: (a) a substantial reduction in training and technical assistance and an increase in commodities; (b) the provision of training and technical assistance to MPs indirectly; and (c) the development of indicators and/or instruments that are more sensitive to the Parliament's concerns and at the same time meet USAID monitoring and evaluation requirements.

The Mission believes that adjustments in the implementation strategy and the M&E system, including indicators and targets at the IR level, may be necessary over the coming months.

USAID is reconsidering its strategy of attempting to provide training and technical assistance directly to MPs who are reluctant to participate in these activities. The future approach would focus more on developing the capacity of the staffers to solicit information needs from MPs and respond to these needs with improved and expanded information services. Such an approach is consistent with the aim of strengthening the Parliament as an institution since staffers provide the longer term basic services necessary for a well functioning organization in which MPs change regularly. Activities could also include the expansion of the already established information channel to provide the latest research and briefs prepared and library acquisitions. The Mission believes that the desired SpO results can still be achieved with a modified approach.

In February, the Parliament in cooperation with the DSS activity contractor, began review of automation needs to determine whether results could be achieved with a strategy focusing more on the provision of commodities (and related training and technical assistance services). The review is expected to be finished by mid-March. The Mission will review the performance monitoring plan with the Parliament in order to identify ways to make it more acceptable to both parties. This would include indicators and instruments at the IR level, but not at the SpO level. This task should be completed no later than June 1998. The mid-term evaluation preliminarily scheduled for early 1998 has been postponed indefinitely in light of recent political sensitivities.

Activities over the next few years will continue to enhance the research and information capability of Parliament, focusing on staff and material development, and work site application away from classroom training. The information networking capability of the Parliament will also be strengthened. The Mission will continue to explore implementation strategies which ensure supported activities will not be perceived as having the potential to influence parliamentary decision-making.

## EGYPT

Approved: June 1996

## SPECIAL OBJECTIVE B: Increased Use of Information Services by the Legislature in Decision-Making

Indicator: PA/SA actions indicate that more information is being used in the decision-making process

Unit of Measure: A 5 pt. rating scale used to measure the use of info. in legislative process appears in a footnote at end of this table. The order of targets is -- PA/SA*	Year	Planned	Actual
	1995(B)		1/1
	1996	1/1	1+/1+
Source: Parliament's Minutes of Meetings	1997	2/2	2/2
Comments: *People's Assembly (PA)/Shura Assembly (SA). The PA is the legislative body and hence keeps literal/verbatim minutes of its proceedings. Although the SA is a consultative body and does not perform oversight or legislative functions, minutes are also kept.	1998	3/3	
	1999(T)	4/4	

## Result No. B.1: Increased Members' Demand for Improved Information Services

Indicator: Members are requesting information from PA/SA information services

Unit of Measure: % (and number) of members requesting information.	People's Assembly		
	1995(B)		12 (54)
Source: Parliament's Minutes of Meetings	1996	15 (68)	15 (68)
	1997	20 (91)	NA
Comments:  Universe: 454 PA members and 264 SA members.  This is proxy measure.	1998	25 (114)	
	1999(T)	30 (136)	
	Shura Assembly		
	1995(B)		10 (26)
	1996(B)	12 (32)	12 (32)
	1997	16 (42)	NA
	1998	20 (53)	
	1999(T)	25 (66)	

## Result No. B.2: Improved Information Services

Indicator: PA members' perceptions of improvements in information services

Unit of Measure: % (and number) of members expressing satisfaction.	1995(B)		0
	1996	15 (68)	15 (68)
Source: Parliament's Minutes of Meetings	Year	Planned	Actual

<b>Comments:</b>  Universe: 454 PA members.  This is a proxy measure.	1997	20 (91)	NA
	1998	25 (114)	
	1999(T)	30 (136)	
Indicator: SA members' perceptions of improvements in information services			
Unit of Measure: Percentage (and number) of members expressing satisfaction.	1995(B)		0
	1996	10 (26)	10 (26)
<b>Source:</b> Parliament's Minutes of Meetings	1997	15 (40)	NA
<b>Comments:</b>  Universe: 264 SA members  This is a proxy measure.	1998	25 (66)	
	1999(T)	30 (79)	

Footnote: A 5-point Rating Scale is used to measure the use of information in the various legislative functions: Debate, Legislation and Oversight. Note that the SA has an advisory role and, accordingly, most of its functions revolve around debating national issues.

The 5-point rating scale is defined as follows:

<u>Level 1:</u>	Limited access to and impact of information on legislative actions; rhetoric predominates in legislative discourse, passive acceptance of executive initiatives and budget proposal predominates.
<u>Level 2:</u>	Discourse references reliable facts and figures; reliable facts and figures on government performance (accountability, integrity) and on the budget (expenditure patterns, multi-year projections, audits) are sought referenced, interpreted and debated.
<u>Level 3:</u>	Extensive public policy analysis and simulation modeling used by Members, particularly key committees; legislative discourse references public policy analysis, and analysis of implementation and evaluation.
<u>Level 4:</u>	Public policy analysis and modeling integrated into legislative process via committees and debates.
<u>Level 5:</u>	Information and analysis are used in all phases of the legislative process; lagged improvements effects are becoming measurable in the technical and substantive quality of legislative actions, in measurable impact on presentations and actions of the government, on final budget and future budget submissions, enhancement of government respect for the Parliament as a partner, and in external respect for the Parliament within the context of Egyptian expectations and functions.

## **SpO C: Improved Civil Legal System**

### **1. Performance Analysis:**

#### **Summary Performance Rating: Met Expectations**

The Administration of Justice Support (AOJS) activity is the main mechanism to achieve results under SpO C. With the help of the AOJS contractor, the Mission completed the performance monitoring plan in late 1997, including the refinement of indicator language and the establishment of baselines and targets. Results reporting will begin in the next R4 .

Implementation of AOJS is well underway. The assessments of the two pilot courts and the National Center for Judicial Studies (NCJS) are nearly completed and strategic development plans for the courts and NCJS have been finalized. The automation plan has been developed, including the specifications for computers. Other preliminary activities were completed including the development of a commercial code training curriculum, analysis of NCJS staff functions and assessment of training needs for judges. Various training and visitation activities were conducted as well. Sixty judges participated in leadership and training for trainers courses. Twenty judges visited the United States to become familiar with court management and technology systems as well as other judicial training programs. In addition, 170 judges participated in three judicial forums and information gathering at various locations around Egypt. Unfortunately, women are not yet allowed to serve as judges in Egypt; however, they can serve as prosecutors and two of these have been trained under AOJS to become faculty members at NCJS. Overall, an estimated 20 percent of the beneficiaries of the training activities will be women, including prosecutors, librarians, archivists, typists and record keepers.

While it is not possible at this time to assess overall progress toward the achievement of the SpO based on systematically collected data, customer feedback provides some useful information on progress. Direct feedback from NCJS faculty members and judges confirms the significance and effectiveness of the training courses and study tours conducted. The participants found the activities useful for building openness and receptivity to USAID assistance, acquiring an in-depth understanding of modern court management and related technology, increasing awareness of the important role of career-long judicial training for judges, and developing a collaborative work relationship among officials at the pilot courts, NCJS and the Judicial Information Center. The activities thus far have generated a lot of interest and enthusiasm which augurs well for the implementation of new systems.

### **2. Expected Progress Through FY 2000 and Management Actions:**

With baselines now in place, results will be reported next year. At the pilot courts, second year activities will center on reengineering and implementing systems to improve the flow of cases and the delivery of services to the public. Some systems will be manual; others will be automated. Second year priorities also include the initiation of an automated typing

pool system, a case flow management system, a case monitoring system and reengineered procedures in the pilot courts.

At NCJS, emphasis will be placed on organizational and administrative reengineering. Additionally, leadership and faculty skills will be strengthened by training courses on the commercial code and training for trainers.

EGYPT		Approved: June 1996	
SPECIAL OBJECTIVE C: Improved Civil Legal System			
Indicator: Documented pilot court system tested and accepted for replication by Ministry of Justice (MOJ)			
Unit of Measure: MOJ acceptance with minor modifications	Year	Planned	Actual
Source: MOJ record	1997(B)	0	0
Comments: One-time End of activity measurement	1998	0	
	1999	0	
	2000	0	
	2001(T)	1	
Indicator: Measurable improvement in lawyers' perceptions toward court operations			
Unit of Measure: % increase in lawyer confidence in pilot court efficiency	1997 (B)		43%
	1998	46%	
Source: Annual survey of civil lawyers practicing in pilot courts efficiency	1999	50%	
	2000	55%	
Comments: Baseline was established late 1997. Annual surveys to be conducted hereafter.	2001 (T)	60%	
Result No. C.1: Improved Efficiency of Two Pilot Court Systems			
Indicator: Reduction in case processing time			
Unit of Measure: Average number of months from case filing to final decision for all cases.	1997 (B)		22.4
	1998	21.6	
Source: Independent verification of pilot court records by AOJS staff.	1999	18.3	
Comments: Data used is extrapolated from the average times between individual events.	2000	16.6	
	2001(T)	13.3	
Result No. C. 2: Judges More Knowledgeable of Egyptian Civil Law			
Indicator: Average Percentage increase between pre-and post-course scores			
Unit of Measure: Annual differences in pre-and post-tests	1998	15%	
Source: NCJS Records	1999	15%	

Performance Data Table - Egypt

Comments:	Year	Planned	Actual
	2000	15%	
	2001	15%	

NOTE: The nature of pre and post-testing (participants and programs change yearly) is such that each year is stand-alone, zero-based item.

#### **SUBGOAL 4:**

##### **Reduced Population Growth and Improved Health**

Goal II of the USG Country Team Mission Program Plan for FY 1997-2001 establishes priorities in the areas of reduced population growth and improved health education, thereby heightening the importance of these objectives to U.S. national interests in Egypt.

At the subgoal level, the Mission continues to monitor annual changes in life expectancy, population size and the population growth rate, indicators which are linked to the Agency's goal for a world population stabilized and human health protected. Life expectancy remains unchanged at 62 for men and 65 for women. Egypt's population is estimated to have increased from 61.4 million in 1996 to 62.3 million in 1997, a growth rate of approximately 2.1 percent, down from 2.8 percent in 1988.

The integration of family planning and health services under the Ministry of Health and Population (MOHP) continues. In 1997, the Ministry requested USAID assistance in broadening its family planning and population sector support to include more reproductive health-related programs. As a result, the Mission is expanding its "systems development" activities to encompass the new sector approach for reproductive health, maternal and child health, active referral network, mobile clinic, community based and other women's health services. While still in its early stages, this will eventually incorporate decentralized management, management information systems, strategic planning, training and supervision, and decentralized budgeting and finance.

The Egypt Demographic and Health Survey (EDHS), the primary tool for measuring fertility, family planning and maternal and child health status, is conducted every four to five years. A major drawback to this survey is that significant (positive or negative) changes can occur undetected and unmeasured during intervening years. With no alternate monitoring tools available, proxy indicators were developed and used for R4 monitoring in between the EDHS, but they did not adequately capture the changes in fertility and family planning practices. This was especially problematic when a contraceptive use plateau remained undetected for five years. The solution has been the establishment of an annual Interim EDHS.

In 1997, for the first time, an Interim EDHS was conducted to collect current information on fertility, family planning, and maternal and child health. The data from this survey were used to monitor progress toward the achievement of SOs 4 and 5. Data collected were more limited than in the 1995 EDHS and involved interviews with a sample of 6,000 ever-married women of reproductive age. The survey employed the household listings that were obtained in the 1995 EDHS in the selection of the sample. The survey was designed in such a way as to provide separate estimates for all major variables for: Egypt as a whole; urban governorates; and urban and rural areas in Lower and Upper Egypt. The Frontier Governorates, covered in the 1995 EDHS, were excluded in the interim survey.



## **SO 4: Reduced Fertility**

### **1. Performance Analysis:**

#### **Summary Performance Rating: Exceeded Expectations.**

The 1997 Interim EDHS revealed impressive performance, requiring upward adjustments in several out-year targets. The Total Fertility Rate (TFR) dropped significantly during the last two years from 3.63 (1995 EDHS) to 3.27, indicating that married women of reproductive age are having fewer children. The 1997 actual exceeded the 1999 target. Further analysis indicates that age-specific fertility has decreased in all age groups in Egypt, but more so for the younger age groups. A sharp decline occurred among women age 20-34, e.g., 20-24 year group fertility declined from 211 births/1,000 women (1995 EDHS) to 191 births/1,000 women in 1997. TFR has declined in a steady, linear fashion for 15 years. Egypt's national family planning program, supported by USAID, contributes significantly to the country's strong performance in reducing fertility. Other contributing factors are improved school enrollment (especially of girls), urbanization, and the difficult economic conditions experienced by large families.

The 1999 target for the Contraceptive Prevalence Rate (CPR) under IR 4.1 has been exceeded as well, increasing significantly from the previous figure of 47.9% (1995 EDHS) to 54.5%, with 51.8% of married women of reproductive age relying on modern methods, and 2.7% using traditional methods. This increase indicates that more married women of reproductive age are using contraception, especially modern methods. Injectable use has doubled from 2% (1995 EDHS) to 3.9% (1997 Interim EDHS). An increase in IUD use from 30% (1995 EDHS) to 34.6% (1997 Interim EDHS) also occurred. The IUD (34.6%) and the pill (10.2%) remain the most common methods. The jump in CPR from 47.9% in 1995 (the level at which it had been stubbornly "plateaued" for five years) to 54.5% indicates that the national family planning program may have resumed its expansion.

The CPR grew strongly during the 1980s, stagnated during the early 1990s, and evidently revived in 1996. The Mission believes that the "plateau" of the early 1990s may have been a temporary interruption in CPR expansion, caused in part by political turmoil in the population sector, the collapse of a large contraceptive social marketing program, and the sector-wide distraction of the International Conference on Population and Development (ICPD) that was held in Cairo in 1994. After 1995, consolidation of public sector services in the Ministry of Health and Population (MOHP), the aggressive "Gold Star" quality improvement program, a new MOHP policy emphasis on meeting the basic health needs of Egyptian women, USAID's new high profile Private Sector Initiative, NGO activities, and revived high level policy attention to family planning are factors that appear to have stimulated the resumption of growth in this key indicator. Additional years will be needed to document the degree to which this positive CPR trend will be sustained.

Extended Use Failure Rate declined sharply to 7.0%, also exceeding the 1999 target. Of all contraceptive users, about 71% are using more effective methods, namely IUD and injectables (63.5% for the IUD and 7.2% for the injectables). This indicator of quality-of-care reflects the impact of improved information services, especially client counseling, resulting in more effective utilization of modern methods by women.

The target for the indicator, Percentage of Public Sector FP Clinics with Gold Star for Quality, was exceeded by 8% which indicates that the process of institutionalizing standards of quality is continuing at an accelerated rate. For 1997, a total of 696 FP clinics (out of 3,850 MOHP FP clinics) achieved and maintained the Gold Star for two or more quarters. Increased momentum for achievement of Gold Star status is evident among clinic units as MOHP promotes the concept of quality in FP services. Heavy advertising of the Gold Star clinics during 1997 enhanced the impact of this USAID-financed activity, increasing both the quality of care offered to clients and the quantity of clients coming to clinics for services.

IR 4.1.2, Total Demand, reflects the potential demand for contraception and identifies women that are most in need of contraceptive services. The 1997 actual of 70.5% exceeded the 1999 target of 67.5%. According to the 1997 Interim EDHS, the actual total demand of 70.5 equals 54.5 met need + 15.6 unmet need. Total demand also includes pregnant and amenorrheic women who became pregnant while using a method (i.e., method failure which was 1.2 for 1995 and 0.4 for 1997. The 1995 EDHS showed a total demand of 65.1 (47.9 met need + 16.0 unmet need). This increase in total demand indicates an increase in the number of women using contraception; an increase in the percentage of satisfied demand; and a decrease in the percentage of unsatisfied demand. Demand for services, as measured by the DHS, had stagnated and even declined during the "plateau" period of the early 1990s. The increase in demand measured by the interim EDHS is probably the result of a number of factors, including: (1) improved USAID-supported television advertising, (2) new advertising of private sector services, (3) increased local community outreach and promotion of family planning services in both the public and private sectors, and (4) strong public endorsement of family planning by the national leadership.

Budget data now available for 1996 for the GOE's contributions in public and NGO sectors, an indicator comparing GOE contributions to the total cost of the family planning program, show that the 46% target was slightly exceeded. The actual level achieved, 47.8%, corresponds to the 1994 level prior to the ICPD conference, also 47.8%. This relationship suggests that the GOE's commitment remains constant. The significant increase that occurred during 1995 (58.3%) is an anomaly associated with high carry-over costs from the ICPD.

Client payments, as a percentage of total couple years of protection (CYP) costs in the public and NGO sectors, fell slightly below the 1996 target, 13% versus 14%. (1997 data will not be available until 1999.) However, this performance is significantly above the 1995 figure of 8.3% and is considered on track. These results are consistent with the drop in inflation adjusted GOE contribution and further support a trend that total client payments are steadily increasing while the GOE's contribution has stabilized.

During 1997, 784 mid-level managers (or 5%) participated in training. The actual percent of managers trained was below target due to training delays and staff attrition. The pace of training has now accelerated and should result in a significant increase in mid-level managers trained for 1998.

The Policy Reform Index measures the perception of the policy environment during 1997 and compares it to that of 1996. A political climate rating of 66 for 1997 as compared to a score of 63 for last year indicates that there is perceived improvement in the population policy environment in Egypt in 1997.

## **2. Progress Expected Through FY 2000 and Management Actions:**

Fertility is expected to continue to decline through the year 2000 and beyond, although the rate of decline may be more gradual than seen in 1997, given the recent contraceptive prevalence plateau. Population momentum, the increasing difficulty of reaching more remote, poor, and traditional segments of the population; and the maturing of the Egyptian national population program may all contribute to slower-than-desired fertility reduction. Two recent research studies, "Egypt In-Depth Study on the Nonuse of Family Planning" (July 1997) and the 1997 Interim EDHS (January 1998) provide direction for greater program emphasis. In 1997, the MOHP accelerated new interventions such as mobile clinics; expansion of NORPLANT; and greater investments in improving working and living conditions of its service providers in rural areas.

USAID complements these efforts with its new Population, Family Planning, and Reproductive Health (POP IV) results package which includes a series of new initiatives and shifts in emphasis. These include a major new emphasis on aggressive commercial marketing and advertising to attract new clients; new NGO initiatives (a previously untapped resource); continued improvements in the quality of public sector services, including the mobilization of thousands of MOHP community outreach workers; expansion of FP/RH services to include post-partum contraception and selected reproductive health services.

While it may be premature to state that the population program plateau has been definitively overcome, the Interim EDHS clearly indicates increased use of FP services in 1997. The challenges of population momentum, high discontinuation rates and limited method choice will remain serious obstacles through the year 2000. However, the Mission anticipates continuing increases in use of FP services through the year 2000.

The supply -- both quality and quantity -- of FP services among public, private and NGO service providers is expected to continue to improve through the year 2000 and beyond. The MOHP and USAID are working as partners to improve public sector services. The emphasis shifts somewhat under POP IV to add more support for private sector and NGO service providers. Finally, the MOHP/USAID commitment to institutionalize quality standards of practice strongly supports the continuation in the increase in the quality and quantity of FP services.

Interim data on demand, representing the total of met and unmet need as reported by married women of reproductive age, suggest that more women are using contraceptive services and methods and that unmet need for FP is decreasing. Therefore, demand should steadily increase through the year 2000. With the POP IV emphasis on private sector marketing, demand should increase most strongly for private sector services.

Sustainability and financial self-sufficiency will continue to strengthen. The GOE's budget contributions to the family planning program will continue to rise gradually as a result of the MOHP's commitment to the national population program effort and the counterpart requirements of USAID support. The percent of the total cost of each CYP in the public and NGO sectors covered by client payments will also continue to rise slowly and steadily.

The MOHP recognizes the need to build sustainability into every facet of its national program. Their commitment to institutionalize decentralized training and supervision systems and to make investments to improve the working and living conditions of its service providers in rural areas is expected to strengthen through the year 2000 and beyond. Although it is often difficult to measure, analyze and predict specific changes, the policy environment has remained constant. There have been no major political or programmatic changes leading to a policy shift away from strong support. On many occasions during 1997, the political leadership reiterated its support for family planning and reproductive health and emphasized the advantages of a small family. Support by the political leadership has been essential to the overall success of the national family planning program and will continue to be so through the year 2000 and beyond. It is expected that political leaders will remain convinced of the benefits of family planning and the importance of the program and that they will continue to be active advocates, leading to the achievement of planned targets. However, much work remains to be done.

The Mission requests an extension for SO 4 through FY 2004, and an estimated \$72 million in additional resources to continue activities over the three-year extension period for reasons of host country sustainability, linkages between the Mission's population and health strategic objectives, implementation, and NGO programming.

SO 4 was initially designed as a ten year strategy to be completed in 2007. It and the POP IV results package under it have been designed as a final "sustainability" phase in USAID's history of assistance to Egypt's population sector. Continuous and predictable support for counterpart partner institutions is required to achieve ultimate objectives. At the same time, expanded USAID support is vital to continue the process of integrating population and health sector services.

SO 4, and POP IV, had to be re-cast to fit within the time frame for the overall Mission strategy. Having 2001 as the end date imposes an artificially short time for implementation of POP IV, given the protracted period needed for the start-up of new major program activities and the time involved in establishing a large institutional "umbrella"

contract. Other planned PSC contracts and buy-in/incremental funding actions under the results package have had to be scaled down into short, clumsy, management-intensive three-year lengths in order to squeeze them into the time available under the current deadline.

The proposed extension will also enable SO 4 to open up a new programming front with NGOs. Work was to have begun immediately with up to 20 Egyptian NGOs; however, a new Mission NGO umbrella instrument under SO 3 is still under negotiation. Delays there mean that the POP IV NGO component cannot be initiated as planned. This component involves: (1) identifying, screening, and recruiting the most suitable NGOs, (2) providing NGOs with one to two years of institutional strengthening support to develop their staff, management systems, and facilities, and (3) following satisfactory completion of institutional improvements, providing subgrants of several years duration for support of the NGOs' program activities. This sequence of NGO support cannot be compressed into a period of less than six years.

A number of issues and concerns were raised during the Egypt R4 review in Washington last year, beginning with the downward trend in total demand for family planning services. This trend has reversed. As noted above, it moved upward in 1997. This positive result is clearly one important factor that contributed to the increase in contraceptive prevalence.

TFR and CPR targets were reexamined during the development of the POP IV results package, as requested. The somewhat erratic movement of CPR -- rapid increases in the 1980s, a plateau in the early 1990s, a rapid increase again in the late 1990s -- makes it difficult to predict with confidence future targets based on past performance. Targets may need to be periodically adjusted in the future based on empirical evidence about growing trends.

The need to rekindle GOE support for family planning was raised. Since the last R4, signs of renewed MOHP commitment to family planning have encouraged the Mission. In addition, the continuing strong public endorsements by the President and by the Minister of Health and Population appear to signal that the malaise that followed a political crisis in the program has passed.

The constraints mentioned about services for low parity couples, information for clients, quality of care, reducing discontinuation, commercial IUDs, and expanding method mix have all been dealt with in detail in the new POP IV results package. With regard to the suggestion that a birth interval indicator be included in the R4, the Mission has reviewed options and believes that existing SO 5 indicators already provide surveillance. The length of the previous birth interval is strongly associated with infant and child mortality levels. The Mission plans to track changes in birth intervals by age cohort and parity in future DHS studies, and will explore the possibility of another indicator when additional data are available.

EGYPT				Approved: June 1996	
STRATEGIC OBJECTIVE NO. 4: Reduced Fertility					
Indicator: Total Fertility Rate (TFR)					
<b>Unit of Measure:</b> The average no. of children a woman would have at the end of her childbearing years if she were to bear children during those years at the currently observed rates.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>		
	1992(B)		3.9		
	1993		NA		
<b>Source:</b> Interim EDHS (12/97)	1994		NA		
<b>Comments:</b>  The last Egyptian Demographic and Health Survey (EDHS) was conducted in 1995; the next is scheduled for 1999.	1995		3.63		
	1996	NA	NA		
	1997	NA	3.27		
	1998	3.21			
	1999	3.15			
	2000	3.09			
	2001	3.01			
	2002	2.95			
	2003	2.89			
	2004(T)	2.83			
Result No. 4.1: Increased Use of Family Planning Services					
Indicator: Contraceptive Prevalence Rate (CPR) (National)					
<b>Unit of Measure:</b> % of married women of childbearing age (15-49) currently using contraceptives.	1992(B)		47		
	1993		NA		
<b>Source:</b> Interim EDHS (12/97)	1994		NA		
<b>Comments:</b>  Prior Reference Year 1988: 38%	1995	50.6	47.9		
	1996	50.1	NA		
	1997	NA	54.5		
	1998	55.6			
	1999	56.7			
	2000	57.8			
	2001	58.9			
	2002	60.0			
	2003	61.1			

	2004(T)	62.2	
<b>Result No. 4.1.1: Enhanced Supply</b>			
<b>Indicator:</b> Extended Use Failure Rate			
<b>Unit of Measure:</b> % of women who become pregnant while using contraceptives or following discontinuation of contraceptives for any reason other than a desire to become pregnant.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1992(B)		10
	1993		NA
<b>Source:</b> Interim EDHS (12/97)	1994		NA
<b>Comments:</b>  Prior Reference Year 1988: 13% Target was Exceeded	1995	8.5	8.4
	1996	NA	NA
	1997	NA	7.0
	1998	6.8	
	1999	6.5	
	2000	6.2	
	2001	6.0	
	2002	5.8	
	2003	5.5	
	2004(T)	5.5	
<b>Indicator:</b> Percentage of public sector FP clinics with Gold Star for quality			
<b>Unit of Measure:</b> % of GOE FP clinics with sustained quality standards	1992(B)		0
	1993		0
<b>Source:</b> MOHP, USAID (GOE Fiscal Year)	1994		0
<b>Comments:</b>  % is based on a total of FP clinics under the Ministry of Health and Population (MOHP) in all governorates.  For GOE Fiscal Year 97, total = 3,850 clinics.	1995	5	0
	1996	15	6
	1997	10	18
	1998	20	
	1999	25	
	2000	30	
	2001	40	
	2002	50	
	2003	55	
	2004(T)	65	

<b>Result No. 4.1.2: Increased Demand</b>			
<b>Indicator:</b> Total Demand = Met Need + Unmet Need			
<b>Unit of Measure:</b> % of currently married women for whom total demand is met. This includes (a) met need: women who are currently using contraceptives and (b) unmet need: women who are pregnant, amenorrheic and whose last birth was mistimed and women who want no more children or who want to space the next birth but are not using contraception.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1992(B)		69
	1993		NA
	1994		NA
	1995	NA	65.1
<b>Source:</b> Interim EDHS (12/97)	1996	NA	NA
<b>Comments:</b>	1997	NA	70.5
	1998	72.0	
	1999	73.5	
	2000	75.0	
	2001	76.5	
	2002	78.0	
	2003	79.5	
	2004(T)	80.0	
<b>Result No. 4.2: Strengthened Sustainability of FP Systems</b>			
<b>Indicator:</b> Inflation adjusted GOE contribution in public and NGO sectors.			
<b>Unit of Measure:</b> GOE contribution as a % of total budget to total cost of family planning program.			39.72
	1993		44.2
<b>Source:</b> GOE budget based on Egyptian fiscal year (July 1 - June 30)	1994		47.8
	1995	45	58.3
<b>Comments:</b>  *Actual 1997 data not available until Jan. 1999.	1996	46	47.8
	1997	46	NA*
	1998	47	
	1999	47	
	2000	47	
	2001	48	
	2002	50	
	2003	50	
	2004(T)	50	



Result No. 4.2.1: Increased Financial Self-Sufficiency of FP Systems			
<b>Indicator:</b> Client payments as a % of total CYP costs in the public and NGO sectors.			
<b>Unit of Measure:</b> % of client payments of total cost of each CYP achieved in public and NGO sectors including the Egyptian Pharmaceutical Trading Company	Year	Planned	Actual
	1992(B)		10.5
	1993		12.8
<b>Source:</b> NPC Annual Cost Studies	1994		13.0
<b>Comments:</b>  *Actual 1997 data not available until Jan. 1999.	1995	13	8.3
	1996	14	13.0
	1997	14	NA*
	1998	14	
	1999	15	
	2000	15	
	2001	15	
	2002	15	
	2003	15	
	2004(T)	15	
Result No. 4.2.2: Strengthened Institutional Capacity			
<b>Indicator:</b> Mid-level managers trained/skilled in management of USAID-funded programs.			
<b>Unit of Measure:</b> % of mid-level managers trained under USAID-funded fp programs, as a measurement of skills development.	1992(B)		0
	1993		0
<b>Source:</b> USAID/Egypt Records	1994		0
<b>Comments:</b>  % based on a total mid-level manager pool of 1200 MOHP FP managers at the central, governorate and district levels. Continuing management training is required for all staff on an annual basis.	1995	30	23
	1996	45	58
	1997	70	65
	1998	80	
	1999	90	
	2000	90	
	2001	90	
	2002	90	
	2003	90	
	2004(T)	90	

<b>Result No. 4.2.3: Improved Policy Environment</b>			
<b>Indicator:</b> Population Policy Reform Index			
<b>Unit of Measure:</b> % = modified version of national I-m scale to measure policy environment based on qualitative assessment of policy and regulatory reform.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1996(B)	NA	68
	1997	TBD	66*
<b>Source:</b> USAID/Egypt Records	1998	67	
<b>Comments:</b>  *The Index, newly designed by the Futures Group, is a score on a series of items to establish a trend that will vary from year to year as specific policy determinations are made by the GOE. (A similar index has also been developed for Jordan.)  * Index measures perception of policy environment for 1997 and compares it to that of 1996.	1999	67	
	2000	68	
	2001	69	
	2002	70	
	2003	70	
	2004(T)	72	

**NOTE: The following proxy indicators will be discontinued in the next R4.**

<b>Proxy Indicator: General Fertility Rate (GFR)</b>			
<b>Unit of Measure:</b> The number of live births per 1,000 women aged 15-49 years in a given year.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1992(B)		120
<b>Source:</b> CAPMAS	1993		124
<b>Comments:</b>  As the TFR is only measured every fifth year, GFR is being used as a proxy indicator. The GFR will indicate whether fertility is falling over time, although it is strongly influenced by the age structure of the population.  **Results of the GRF are available annually, in June of the following year.  *The 1996 target was incorrectly recorded as 113.6 in the previous R4.	1994		127
	1995	115.3	121
	1996	120*	120.7
	1997	119	NA**
	1998	118	
	1999	117	
	2000	116	
	2001(T)	115	
<b>Proxy Indicator: "Synthetic" CPR</b>			
<b>Unit of Measure:</b> % based on number of couple years protection (CYP) in a given year divided by the number of married women of reproductive age. CYP data is attributable to all public sector and ngo providers who report to the NPC.	1992(B)		21
	1993		24
	1994		25
<b>Source:</b> NPC	1995	26	25.6
<b>Comments:</b>  * Based on average of first 9 months of 1997.	1996	27	29.8
	1997	28	31.5*
	1998	28	
	1999	29	
	2000	29	
	2001(T)	30	
<b>Proxy Indicator: CYPs Attributable to More Effective Methods</b>			
<b>Unit of Measure:</b> % - Number of CYPs attributable to more	1992(B)		89
<b>Source:</b> NPC	1993		900

<b>Comments:</b>  This indicator is the annual proxy for Extended Use Failure Rate.  *Based on average of the first 9 months of 1997.	Year	Planned	Actual
	1994		92
	1995	92	95
	1996	92.3	96
	1997	95	96*
	1998	95	
	1999	96	
	2000	96	
	2001(T)	96	
<b>Proxy Indicator:</b> CYP in Public and Private Sectors			
<b>Unit of Measure:</b> Millions of CYP's calculated from service statistics reports	1992(B)		3.7
	1993		2.95
Source: NPC	1994		4.44
<b>Comments:</b>  *Based on average of first 9 months of 1997.	1995	NA	3.47
	1996	4.82	3.74
	1997	4.0	3.94*
	1998	4.3	
	1999	4.5	
	2000	4.7	
	2001(T)	5.0	

## **SO 5: Sustainable Improvements in the Health of Women and Children**

### **1. Performance Analysis:**

#### **Summary Performance Rating: Exceeded Expectations.**

Progress to reduce infant and child deaths has been steady and impressive. Findings under the 1997 Interim EDHS indicate that the program has exceeded the planned targets for both 1997 and the SO period as a whole for two of the three SO level indicators, as well as a number of related lower level indicators in the performance monitoring plan. Accordingly, the Mission has made adjustments for several of the targets for this SO.

The 1997 SO level targets for both the under five and infant mortality rates have been exceeded. USAID-supported child survival interventions, coupled with related family planning services and primary health care assistance in general, have been responsible for reducing under five mortality from 151.5 in 1982 to 66.2 per 1000 live births in 1997 (EDHS 97), a 56 percent decrease and well below the 1997 target of 76. Similarly, the infant mortality rate decreased from 94.9 in 1982 to 52.7 per 1000 live births in 1997 (EDHS 97), a 44.5 percent reduction and also well below the 1997 target of 55. Although data will not be available until 1999, it is expected that the high maternal mortality ratios cited in the 1993 base year did not change substantially over the subsequent four-year period, including 1997. USAID's current health strategy focusing on the needs of women and children is starting to lay the foundation for significant inroads into the deep-seated problems of maternal health.

At the IR level, the program has been equally successful in achieving planned targets. Under IR 5.1, the 1997 neonatal mortality rates (deaths of infants within the first month of life per 1,000) for national and Upper Egypt declined from 37 to 35 and from 47 to 42, respectively. The national neonatal mortality rate for newborns for the period 1985-95 was 42.6 for males and 31.5 for females. The rates for 1987-97 were 40.9 for boys and 28.5 for girls, thus the downward trend continues for both. No 1997 target was set for the case fatality rate for obstetric emergencies indicator. Due to problems with both the unit of measure and the ability to track progress against it on a routine basis, this indicator has been replaced with "Districts in Upper Egypt Providing Effective Essential Obstetric Care," an approach which is explained more fully later.

Progress continued in combatting childhood communicable diseases. Coverage for fully vaccinated children increased to 84 percent in 1997. One clear result, and a major success story, has been the decline in the reported number of confirmed polio cases from 584 in 1992, to 70 in 1996, and to 14 in 1997, despite improvements in surveillance and reporting which would normally tend to increase this number. Neonatal tetanus cases also decreased from 500 to 376 for this period. Polio and neonatal tetanus cases appear under a lower-level IR (5.1.3 in the FY 1999 R4) which is no longer included in the tables for SO 5.

Two successful National Immunization Days (NIDs), organized and carried out with USAID assistance during 1997, were major contributing factors to this success story. The NIDs targeted all children 1 day through 4 years of age and helped strengthen the Expanded Program of Immunization (EPI) in general. The two rounds of the second NID were conducted during November and December 1997 for 7 days each. Political commitment was very high at all levels. Mrs. Mubarak inaugurated the campaign, which was covered by all media channels nationwide, including TV and radio. The Ministry of Health and Population (MOHP) strategy for vaccination was to use all MOHP primary health facilities as fixed vaccination sites, in addition to vaccination through mobile teams and house to house visits in high risk areas. A team of WHO and CDC experts evaluated the campaign and reported very positive results. Their site visits confirmed the high coverage rate. Coverage was about 100 percent for both rounds with more than 6.7 million children vaccinated. USAID provided major assistance to the MOHP for the NIDs and ongoing EPI activities. While other donors provided assistance, the main cost of the vaccines was covered by the MOHP.

Other findings in the maternal health area indicate there has been a slight improvement in prenatal care from 28% in 1995 to 31% in 1997 for those who had four or more prenatal visits, the number recommended by WHO. On the other hand, exclusive breastfeeding for the first 4 to 5 months has decreased significantly from 30.8% in 1995 to 18.1% in 1997. These results are attributed to the increasingly common practice of supplementing infants with water. This discouraging trend underlines the importance of the national breastfeeding initiative which the Mission is developing with the MOHP under the direction of Wellstart International. A national training and resource center was established during 1997 and a cadre of highly qualified Egyptian professionals have been trained. Major activities are planned for implementation during 1998. Also, USAID continues to support national efforts to reduce the practice of Female Genital Mutilation (FGM). Although still a very controversial issue, the Supreme Court recently upheld the MOHP's decree to ban the practice of FGM.

The MOHP has continued to make significant progress under IR 5.2, in the control of schistosomiasis and other endemic and emerging diseases. Prevalence of schistosomiasis mansoni in school children in Kafr El Sheikh is 11.5% which meets the planned 1996 target of 12%. Given the one year lagtime in data availability, the 1997 actual will be reported in the FY 2001 R4. The continued downward trend in the prevalence of schistosomiasis reflects application in the National Control Program of new tools and approaches developed with USAID support. Eight new control tools have been developed and applied. In other areas, one year of survey data has been collected for the ongoing study to determine the extent and means of transmission of Hepatitis C, and the Egyptian Reference Diagnostic Laboratory continues to support key research efforts such as this and immunological work associated with the planned schistosomiasis vaccine field trials.

The MOHP, working with USAID and other donors, has initiated a process of health care reform, designed to ensure universal health insurance coverage with a basic package of services. Reproductive and child health services are fundamental elements of this package.

USAID supports health policy changes that will assign a priority to maternal and child health and allocate the necessary financial and human resources to reach national objectives. The USAID health policy program supports improvements aimed at building capacity to use information for planning and managing health services and strengthening and expanding social health insurance. The 1997 target of 32 percent of the Egyptian population covered by social insurance was met.

Concerning performance under IR 5.3, substantial progress has been realized toward fulfillment of benchmarks for the disbursement of first tranche funding, covering the period July 1, 1997 through June 30, 1998, under the Health Policy Support Program. Given that the budget tracking system is still in the developmental stage, a manual compilation, review and classification of GOE FY 1995/96 disbursement data for a selected number of governorates has been completed. Based on the findings of that review, the Mission has accepted the estimated amount of LE 300 million as the provisional baseline figure against which subsequent MOHP fiscal year expenditures for primary and preventive services will be compared. Work will continue with MOHP and contractor staff to improve the accuracy of this figure, and the replicability of this process. Due to the time required this year to manually assemble, classify and analyze MOHP expenditure data, no determination was possible for the percentage increase in MOHP funding allocated for primary and preventive services for 1997. That percentage will be reported in the FY 2001 R4.

A matrix of policy and institutional reform objectives for the SO period has been approved by the MOHP and benchmarks for first year achievements have been negotiated (see Annex G). The matrix provides a more detailed breakdown of IR 5.3 objectives and includes specific targets for each of the previously identified indicators for this IR. Three of the twelve policy and institutional reform measures scheduled for enactment during this period have been fully adopted and significant progress has been realized in each of the remaining areas. An initial decision regarding the degree of policy conditionality achievement and the amount of first tranche funding authorized for disbursement will be made in March 1998.

In terms of specific areas of incremental progress, a district-based Primary Health Care Strategy has been developed. This strategy has subsequently evolved to become a core element of the more comprehensive, multi-donor supported, Egypt Health Sector Reform Program which is scheduled to be finalized in February 1998. The MOHP has also established a central directorate to guide regulatory reform and improvement in the quality of health services and appointed a board to review certification and licensure standards for health professionals (nurses). Cost recovery was launched in 7 new hospitals and the MOHP issued a decree significantly expanding economic activity and modifying management and governance systems in over 100 additional hospitals. Quality assurance programs have been initiated in 7 new hospitals and a new Directorate of Quality Improvement has been established in the MOHP headquarters.





## **2. Expected Progress Through FY 2000 and Management Actions:**

The results of the 1997 Interim EDHS once again confirmed the approach adopted in the SO 5 strategy for reducing neonatal mortality as our primary focus. As discussed earlier, the Interim EDHS reported significant reductions in the infant mortality rate. Most of this decrease was in the post-neonatal period since the neonatal mortality rate was practically static. As a result of these findings, new infant mortality targets have been developed since last year's target for 2001 has already been surpassed. Following the review of data from the planned 1998 Interim EDHS, and after careful consultation with partners and technical experts, these revised targets will be reviewed again to confirm their continuing validity.

Over the next three years, emphasis will continue to be placed on reducing neonatal and maternal mortality, especially in the high risk Upper Egypt regions. The MOHP, in conjunction with technical assistance provided under the Healthy Mother/Healthy Child results package, is currently completing the basic mother/baby health services package protocols for implementation in Upper Egypt. Implementation of these activities, by both public and private sector providers, will be accelerated following the award and mobilization of the prime contract over the next several months. UNICEF, under a grant from the Mission, has already begun implementation of an Emergency Obstetric Care program in Upper Egypt which should result in a decrease in maternal deaths. Other expected areas of progress will be in assisting the GOE reach a target of zero reported cases of indigenous polio and continued sustainability and improvements in the national child survival interventions (i.e., Oral Rehydration Therapy, Acute Respiratory Infection, Expanded Program of Immunizations).

Work will continue on building the immunological data base for planned schistosomiasis vaccine trials and determining modes of transmission and suggested interventions for the prevention of Hepatitis C. Also, now that the new Global Bureau contract replacing AIDSCAP has been awarded, an HIV/AIDS prevention program will be launched.

The targets and activities proposed under this SO have been incorporated under the recent draft of the Egypt Health Sector Reform Program (EHSR). The EHSR will assure close coordination between USAID and other donor assistance in the sector. The strategy calls for the design and implementation of governorate- and district-level pilot studies to examine various financing, organizational and service delivery options for universal coverage, under a social insurance plan, of a basic package of health services. These activities will be implemented in conjunction with ongoing efforts to strengthen the institutional capacity of the MOHP, particularly in the areas of quality assurance, management information systems and planning, cost recovery and regulatory reform. The agreed upon policy matrix and annual benchmarks for the disbursement of cash transfer funding, under the Health Policy Support Program, set the incremental targets and will guide implementation of this reform agenda.

During the USAID/Washington Egypt R4 review last year, concerns were raised over the number of indicators submitted against SO 5 performance. As a result, the Mission was

requested to select a smaller number of core indicators. With the introduction of the Interim EDHS in 1997, the Mission now has a means of collecting accurate and reliable data for two of the three SO-level indicators annually, which eliminates the need for including most lower level indicators in the Mission's report to Washington. The SO 5 tables now report only at the SO level and the IRs directly linked to the objective. Naturally, lower level IRs will continue to be tracked and comments incorporated into the narrative about their progress, where appropriate.

As noted earlier, the "Case Fatality Rate for Obstetric Emergencies" indicator under IR 5.1 has been dropped due to problems in accurate data collection and replaced with "Districts in Upper Egypt Providing Effective Essential Obstetric Care." The total number of districts in the seven targeted Upper Egypt governorates is 65. Within each district there should be at least one facility (hospital) for each 500,000 population providing essential obstetric care and at least four facilities providing basic maternal care for the same populations. The unit of measure, the number of targeted districts providing effective care, can be tracked annually with data from both UNICEF- and USAID-assisted governorates. Standard criteria developed by WHO and U.S. experts which demonstrate when facilities qualify as properly managing comprehensive essential or basic essential obstetric care will be used to determine when this indicator has been achieved within a district. Staff training and the availability of essential drugs and equipment are some of the items covered in these criteria. The district will be considered qualified if the minimum number of facilities per 500,000 population are upgraded and staff trained. It is anticipated that after the 65 target districts are covered, 30 additional districts in the other governorates will be reached.

An indicator that appeared at a lower level in the FY 1999 R4, Egyptians Covered Under Social Insurance, has been elevated to IR 5.3 because of the significant impact health insurance has on SO achievement and the importance of reporting this data to Washington. Discussions are currently underway to add infants (0-5 years old) and to implement governorate and district level pilot tests to examine options for expanding coverage to other beneficiary groups. As a result, an upward trend line is expected. A new indicator has been added, the Adoption of Policy Reform Measures to track GOE performance in satisfying health sector policy conditionality. This indicator will be measured by the cumulative percentage of cash transfers disbursed under each set of benchmarks negotiated for the program. An initial set of twelve benchmarks, identifying policy and institutional reform measures to be achieved for the first tranche, was approved by USAID/Egypt and the Government of Egypt on September 26, 1997. With strong GOE commitment, 50 percent of planned cumulative disbursements are expected to be met by FY 2000.

Finally, having this SO limited to the current approved period ending September 30, 2001 is seriously hindering progress in achieving SO targets. The most compelling example involves the award of the Healthy Mother/Healthy Child technical assistance contract. Discordance between the approved SO completion date and the contract period needed to achieve results package objectives was a major contributing factor in the delay in finalizing contractor selection and contract award. As a direct result, implementation is far behind

schedule. Administrative obstacles related to the SO period, that hindered the Mission's ability to move forward with a solicitation were overcome. The problem was deferred by shortening the contract period and incorporating into the RFP provisions for an option period beyond the current SO completion date. The contracting process is now at the best and final offer stage and contract award is anticipated in March 1998; however, obstacles will resurface again during the execution of the contract without an extension of the SO period.

Similar problems are envisioned under the Health Policy Support Program (HPSP) and Combatting Endemic and Emerging Diseases (CEED) results packages. The HPSP currently calls for the review of progress toward achievement of benchmarks for fourth tranche disbursement in June 2001. This allows little to no margin for slippage in the achievement of planned objectives since only three months will remain before the current completion date for SO 5. Given the delays in putting in place planned parallel funding from other donors (World Bank, European Community, Danes and others), there is significant probability of slippage in the achievement of reform measures in, at minimum, the social finance area where it is anticipated that substantial resources will be required for restructuring and investment.

In the case of CEED, the immediate extension of the strategic period is needed to meet expectations regarding both technical accomplishments and to minimize the management burden. The technical concern is crucial. Initial implementation has focused on data collection efforts, to build the immunological data base for planned schistosomiasis vaccine trials and to determine transmission modes for Hepatitis C. With the SO ending in 2001, there will be insufficient time remaining to begin the actual vaccine field trials or to design and test Hepatitis C prevention and/or control interventions once the modes of transmission are identified. The management issue involves Mission efforts to respond to recent Congressional and USAID/W interest in further work in infectious diseases. CEED is designed to accommodate new areas of emerging concern to avoid the management burden of designing a new results package as new emphasis areas or new implementation mechanisms are identified. Decisions on health sector interventions take time and often require initial data collection. Only through an extension of the SO can CEED be utilized as planned.

Accordingly, the Mission requests that Washington approve an extension of the SO 5 strategic period through FY 2004. The performance data tables which follow have been revised to incorporate out-year targets through the extension period. An increase of \$65.5 million over the approved budget for SO 5 (\$177 million for the period 1996-2001 per 96 SecState 118846, para 17) is also requested to cover the additional three-year period.

EGYPT				Approved: June 1996	
STRATEGIC OBJECTIVE 5: Sustainable Improvements in the Health of Women and Children					
Indicator: Under Five Mortality Rate					
Unit of Measure: Annual number of deaths of children under five years of age per 1,000 live births, covering five year periods.	Year		Planned	Actual	
	1995(B)			80.6	
Source: Egypt Demographic and Health Survey	1996				
<p>Comments:</p> <p>Prior Reference Year 1983: 139</p> <p>* Targets for 1998–01 have been revised downward reflecting stronger progress, and new targets added for SO extension to 2004.</p> <p>The most recent full EDHS was conducted in 1995. The next is scheduled for 1999. An interim EDHS was conducted in 1997 and others are planned yearly. Socio–economic indicators (including gender breakdown) are reported in the EDHS decennially. For the period <b>1985-95</b>, the national under five mortality rates were <b>92.5 for boys and 99.3 for girls</b>. The rates for <b>1987-97 were 83.7 for boys and 81.9 for girls</b>, thus showing a downward trend for both.</p> <p>Note: For <b>mortality rates</b>, the EDHS–generated data report on the 5–year period preceding the survey. Starting with this R4 report, these figures are attributed to the survey year rather than the mid–point year.</p>	1997	76	66.2		
	1998	66*			
	1999	64			
	2000	62			
	2001	60			
	2002	58			
	2003	57			
	2004(T)	56			
Indicator: Infant Mortality Rate					
Unit of Measure: Annual number of deaths of infants (under one year of age) per 1,000 live births, covering five year periods.	1995(B)			62.6	
	1996				
Source: EDHS	1997		55	52.7	

**Comments:**

Prior Reference Year 1983: 97

\* Targets for 1998-01 have been revised downward reflecting stronger progress, and new targets added for SO extension to 2004.

For the ten-year period **1985-95**, the national infant mortality rate was **72.5 for boys and 73.3 for girls**. The rates for 1987-97 were **67.5 for boys and 63.3 for girls**.

Note: For **mortality rates**, the EDHS-generated data report on the 5-year period preceding the survey. Starting with this R4 report, these figures are attributed to the survey year.

1998	51*	
1999	50	
2000	49	
2001	48	
2002	47	
2003	46	
2004(T)	45	

<b>Indicator:</b> Maternal Mortality Ratio			
<b>Unit of Measure:</b> Annual number of maternal deaths per 100,000 live births*	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1993(B)		
<b>Source:</b> Maternal Mortality Study 1992/93			174/217
<b>Comments:</b>  *Ratios are presented for National/Upper Egypt, in that order.  Targets have been added through 2004.  Baseline data are from the first MOHP/USAID National Maternal Mortality Study (1992/93). This will be followed by study in 1999 and one every four years thereafter.	1994		NA
	1996	NA	NA
	1997	NA	NA
	1998	NA	
	1999	155/193	
	2000	NA	
	2001	NA	
	2002	146/181	
	2003	NA	
	2004(T)	139/172	
<b>Result No. 5.1: Improved Quality and Increased Utilization of Maternal, Perinatal and Child Health Services</b>			
<b>Indicator:</b> Districts in Upper Egypt Providing Effective Essential Obstetric Care.			
<b>Unit of Measure:</b> Number of districts in the targeted Upper Egypt governorates with facilities providing effective comprehensive essential obstetric and basic essential obstetric care.*	1997(B)		0
<b>Source:</b> MOHP Records	1998	15	
<b>Comments:</b>  This is a new indicator, replacing the Case Fatality Rate for Obstetric Emergencies.  *There are 65 districts in the seven targeted Upper Egypt governorates. Within each district there should be at least one facility (hospital) that provides comprehensive essential obstetric care for each 500,000 population and at least four facilities that provide basic essential obstetric care for the same populations.	1999	30	
	2000	45	
	2001	65	
	2002	75	
	2003	85	
	2004(T)	95	
<b>Indicator:</b> Neonatal Mortality Rate			
<b>Unit of Measure:</b> Annual number of deaths of infants within the first month of life per 1,000 live births, covering ten-years periods.*	1992(B)		42/52
<b>Source:</b> EDHS and MOHP statistics	1993		NA

	1994		NA
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<b>Comments:</b>  Rates are presented for both National/Upper Egypt, in that order.  Targets have been added through 2004.  All baselines, actuals, and targets have been changed from the FY 1999 R4 due to two factors: (1) Time period uniformity. Last year the National data were based on a 5-year period and the Upper Egypt data on a 10-year period. To allow easier comparability, a 10-year period is now used for both. (2) Year of Attribution: Last year, the rates were based on the mid-year point of surveys. The rate will now be based on the survey year.  For 10-year period <b>1985-95</b> , the national neonatal mortality rate for newborns was <b>42.6 for males</b> and <b>31.5 for females</b> . The rates for 1987-97 were <b>40.9 for boys</b> and <b>28.5 for girls</b> , thus showing a downward trend.	Year	Planned	Actual
	1995		37/47
	1996		NA
	1997	37/47	35/42
	1998	35/42	
	1999	35/41	
	2000	34/40	
	2001	33/39	
	2002	32/38	
	2003	31/37	
	2004(T)	30/36	
<b>Result No. 5.2: New Tools &amp; Approaches to Combat Selected Endemic and Emerging Diseases Developed and Disseminated</b>			
<b>Indicator:</b> Prevalence of Schistosomiasis			
<b>Unit of Measure:</b> Percentage of school children infected with S. mansoni in Kafr el Sheikh Governorate, selected as the "sentinel" region because it has a high prevalence of the more difficult to control form of schistosomiasis and will undergo more intensive monitoring. <b>Source:</b> Epidemiological surveillance by the National Schistosomiasis Control Program (NSCP)	1994(B)	13.8	
	1995	15	14.5
	1996	12	11.5
<b>Comments:</b>  Prior Reference Year 1988: 16.4  Targets have been added through 2004.  Note: There is a one-year lag time in the availability of data.	1997	10	NA
	1998	8	
	1999	7	
	2000	6	
	2001	5	
	2002	5	
	2003	5	
	2004(T)	5	
<b>Result No. 5.3: Improved Environment to Plan, Manage and Finance Sustained Maternal &amp; Child Health Systems</b>			
<b>Indicator:</b> Annual Increase in MOHP Funding Allocated for Primary and Preventive Services			
<b>Source:</b> MOHP Budget Tracking System	1996(B)*		NA



<b>Comments:</b>  Targets have been added through 2004.  *Based on manual compilation, review and classification of disbursement data for GOE FY 1995-96, the Mission has accepted the estimated amount of LE 300 million as the provisional baseline figure against which subsequent MOHP fiscal year expenditures for primary and preventive services will be compared. The estimate of the GOE's FY 1996-97 performance will be available in mid-CY 1998.  Note: A GOE Budget Tracking System capable of routinely producing this information is now being developed. The MOHP will begin nationwide implementation of this system during 1998.	Year	Planned	Actual
	1997	10	NA
	1998	20	
	1999	30	
	2000	40	
	2001	50	
	2002	60	
	2003	70	
	2004(T)	80	
<b>Indicator:</b> Adoption of Policy Reform Measures			
<b>Unit of Measure:</b> Percentage of policy reforms achieved as represented by the percentage disbursement of total authorized cash transfer funding (cumulative).	1997(B)	0	NA
	1998	15	
<b>Source:</b> USAID records	1999	35	
<b>Comments:</b>  This is a new indicator.  A set of twelve benchmarks, identifying the planned policy and institutional reform measures to be achieved for the release of the first tranche of cash transfer funding, was approved by USAID and the GOE on September 26, 1997. An initial determination concerning GOE progress in fulfilling this policy conditionality will be made in March 1998.	2000	50	
	2001	65	
	2002	80	
	2003	95	
	2004(T)	100	
<b>Indicator:</b> Egyptians Covered Under Social Insurance			
<b>Unit of Measure:</b> Percentage of Egyptians covered under social insurance/Health Insurance Organization (HIO)	1994(B)		30
	1996	30	32
<b>Source:</b> HIO beneficiary registration reports	1997	32	32
<b>Comments:</b>  This indicator reports on health insurance only.  Targets have been added through 2004.	1998	32	
	1999	40	
	2000	40	
	2001	50	
	2002	50	
	2003	60	
	2004(T)	60	



**SUBGOAL 5:**  
**Environment Managed for Long-term Sustainability**

Goal II of the USG Country Team Mission Program Plan for FY 1997-2001 establishes the development of environmentally friendly policies as a priority, thereby signaling the importance of environmental objectives to U.S. national interests in Egypt.

Data on population with access to safe water and sanitation are inconsistently reported and thus have been found unreliable for tracking purposes. Over the next year, the Mission will identify meaningful indicators in these areas for subgoal reporting. The DANIDA-financed air monitoring system for tracking nationwide air quality is still not operational.

**SO 6: Increased Access to Sustainable Water and Wastewater Service**

**1. Performance Analysis:**

**Summary Performance Rating: Met Expectations.**

Steady progress continued during 1997, as evidenced by all targets being met or exceeded at the SO level. Progress towards autonomous utility management was more modest. The greatest success occurred in expanding service coverage, improving operations and maintenance, and cost recovery across nine active projects/results packages. Impressive gains from initial efforts to strengthen billing and collection systems suggest that even greater progress in cost recovery will be achieved as new institutional strengthening initiatives get underway. Increased USAID support for local decision makers with positive attitudes towards needed reforms is producing good results. In 1997, two cities being assisted met the reform benchmarks in their respective action plans, thus paving the way for the release of \$190 million in construction funds in 1998.

In last year's R4 reporting cable (97 SecState 113780), the Mission was asked to work with USAID/W to develop a diagram for future R4 submissions to show the nested nature of the results/indicators by geographic location. This has been completed in collaboration with ANE/SEA/SPA and is presented in Annex I to the R4. This matrix displays progress towards each indicator's 1997 target across all utilities to which the specific indicator applies, and is a useful, at-a-glance summary of 1997 performance.

A revised set of 26 indicators provides a comprehensive view of USAID investments in the water/wastewater sector, reflecting a cross section of performance at the strategic objective and intermediate results levels. A mid-1997 audit of the Mission's water/wastewater portfolio by USAID's Regional Inspector General for Audit resulted in improvements to the monitoring system. The results tracking system was examined as was the accuracy of the performance management information generated by it. The audit detected apparent inaccuracies in some of the results data reported in last year's R4 and recommended to Mission management that the accuracy of all reported information be verified. The

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engaged the services of a performance monitoring consultant to carry out this task and to recommend any needed improvements in the SO 6 results tracking system.

The data-verification work carried out by the Mission resulted in changes to some indicator baselines, targets, and past performance figures, as well as a proposed new monitoring methodology for the five IR 6.2 indicators. These changes have corrected problems which would have hampered accurate performance monitoring in the future.

In 1997, seven SO level indicators tracking populations benefitting from water and/or wastewater services in the areas covered by USAID assistance were introduced in order to better demonstrate people-level impact. Performance against the 1997 targets was good. All were met or exceeded except three. In those three cases, there were inaccuracies in the underlying population data used in setting the original targets; otherwise, they too would have been met. Starting with 1998, out-year targets have been adjusted based on accurate population data.

Impressive progress in cost recovery continued during 1997. Especially noteworthy is the outstanding billing and collection performance of the utilities in Aswan, Minya, Beni Suef, Fayoum, and Mansoura, in which cost recovery increased by 167%, 73%, 45%, 37%, and 10%, respectively. In Alexandria, the revenues generated by the wastewater authority increased by 30% over last year; however, operations and maintenance (O&M) cost coverage fell short of the 1997 target by 10% due to higher than expected operating expenses in 1997 as well as a later-than-expected water tariff increase which pushed its impact on revenues to the latter part of the year. Due to the nearly one year delay in launching the Alexandria Wastewater II results package, following protracted grant negotiations with the GOE, and the concomitant delay in the mobilization of the institutional development contractor, USAID's principal tool for supporting measures to increase cost recovery, the 1998 and out-year targets have been revised downward slightly. The original 2004 target of 100% cost recovery still stands.

In spite of the lack of a needed tariff increase (due to intractable political obstacles), the Cairo water utility's cost recovery increased by 8%, 5% in excess of the 1997 target, due in large part to cost control measures supported by USAID-funded interventions. The lack of a tariff increase and a wastewater surcharge increase in Cairo, which already has the lowest tariffs in the country, impeded progress of the Cairo wastewater authority towards meeting its 1997 cost recovery target of 64%.

Although there was appreciable progress towards meeting the intermediate result of decentralized utility management last year, none of the 1997 targets was met. This was partly due to projecting overly optimistic annual targets when this indicator was established in 1997, and to some recidivism on the part of the GOE concerning implementation of delegation of authority to local utilities. The Mission, in consultation with the performance management contractor and ANE/SEA/SPA, identified the principal problem as the current method of measuring and reporting on progress towards decentralized authority. The methodology does

not offer an effective means of tracking actual performance in the key areas of delegation of authority to local utilities to retain revenues, internally manage their personnel policy, and to budget by chart of accounts. As detailed in Annex J to this R4, the current methodology does not detect incremental progress towards ultimate delegation of authority. Progress is only registered when the final delegation of authority is obtained from the central government by the local utility and then implemented, the last step in a long and complex process. This "all or nothing" feature makes it impossible to track either incremental progress or recidivism in a meaningful way.

A new methodology, developed in conjunction with ANE/SEA/SPA and presented in Annex L, will better measure and track incremental progress towards delegation of the same three authorities, by registering performance as each incremental step is achieved. This R4 carries both methodologies. Beginning in 1998 and thereafter, only the revised methodology will be utilized. The retrospective 1996 performance figure for each utility will serve as the new baseline for each indicator. Therefore, in the performance data tables which follow, 1997 performance against IR 6.2 is first reported against the original 1997 targets under the existing indicators using the old methodology, followed immediately by new tables reporting retrospective 1996 and actual 1997 performance, as well as presenting targets for 1998 - 2004, using the new methodology. The new methodology demonstrates that meaningful progress towards decentralized utility management did occur during 1997, especially in the "other major" urban centers, the Cairo water authority, and the Alexandria wastewater authority, where performance increased by 26, 19 and 16 points, respectively, between 1996 and 1997. ANE/SEA/SPA has accepted the revised methodology for this indicator as an adequate response to the request in last year's R4 reporting cable (97 State 113780) for inclusion of an indicator to show how annual progress on policy dialogue is being made.

Finally, all 1997 targets for capacity to deliver services were met or exceeded which is indicative of the fact that the completion of facilities financed by USAID continues on schedule, and that all USAID-funded facilities are being properly operated and maintained.

## **2. Expected Progress Through FY 2000 and Management Actions**

USAID has invested over \$2.4 billion in urban water and wastewater infrastructure in Egypt since 1975, resulting in new or enhanced water and/or wastewater services for about one in three Egyptians. By 2000 over one million new customers will be served by the Alexandria wastewater authority as new and/or improved sewage collection and treatment infrastructure comes on line. Up to 150,000 residents of several very poor Upper Egypt communities in the Aswan area will also be connected to sewerage collection and treatment facilities for the first time.

While USAID has been heavily involved in the provision of urban water and wastewater infrastructure in Egypt for over two decades, the portfolio is undergoing a transition in several important respects. Major construction activities in Cairo and the three Suez Canal cities have been completed with no follow-on actions planned. New programs

featuring the provision of new and/or rehabilitated infrastructure are coupled with institutional strengthening activities. These emphasize empowering local utilities as autonomous organizations, introducing a commercial perspective to water utility management, increasing attention to customer/supplier business relationships, and examining prospects for policy reforms that foster fiscal decentralization and privatization. USAID is shifting the geographic focus of its portfolio from large urban centers to smaller cities in Middle and Upper Egypt. USAID is also introducing greater conditionality, setting performance benchmarks as a condition for capital assistance, and improving performance monitoring.

The three year period FY 1998 - 2000 will witness continued significant progress toward USAID's water/wastewater strategic objective, as the program places greater emphasis on pursuing reform at the sector level in order to pave the way for evolution of a system of fully autonomous, regulated local water/wastewater utility organizations by the end of the SO in 2004. During the 1998 - 2000 period, USAID will pursue a two-pronged approach, coupling intensive institutional development efforts at the utility level, aimed at greater cost recovery and enhanced management capability and autonomy, with activities in support of key sector reforms required to enable utilities to function as autonomous, self-sustaining entities. Additionally, a new generation of infrastructure construction activities, based on modern master planning work and conditioned on acceptable institutional reform progress by the beneficiary utilities, will lay the foundations for new and/or improved service capacity in Alexandria and up to seven smaller communities, primarily in Middle and Upper Egypt.

Eight of the indicators for the SO and IRs track results related to the Cairo water and wastewater utilities and are recommended for elimination after 1998. USAID's manageable interest in the Cairo utilities' progress at the SO and IR levels will be greatly reduced as the Cairo Water and Sewerage projects end in 1998. Less than optimal management reform performance by the Cairo utilities (especially the wastewater authority) has been an issue for several years. Based on this performance, the Mission decided to program future water/wastewater assistance to areas outside Cairo. In this regard, all post-1998 targets for the eight Cairo-based indicators have been removed from the performance data tables. Mission reporting against these indicators will be discontinued after next year's R4. When SO 6 was established in 1996, the program anticipated a continuing Cairo component throughout. Certain targets dealing with population served and total USAID funding required to achieve results were based on that assumption. Given the cancellation of the planned follow-on Cairo component, the achievement of established population targets is now impractical. For informational purposes the Mission will, however, continue to track (outside of the R4 process) Cairo population served by USAID-funded water/wastewater infrastructure.

In the area of cost recovery (IR 6.1), the Alexandria wastewater authority will exceed 100% recovery of its O&M costs by 2000 based on enhanced billing and collection practices as well as improved cost control. Impressive progress in O&M cost recovery ranging up to 75% will continue in Mansoura, Aswan, South Sinai, and Luxor as institutional development assistance for the utilities in those communities concentrates on enhanced performance in relation to their corporate goals of quality water and wastewater services, adequate

maintenance, and cost recovery. While cost recovery targets have not yet been set for the Alexandria water authority nor the utilities in the Middle Egypt cities of Fayoum, Beni Suef, and Minya, all to be assisted by the new Egypt Utilities Management results package, solid progress in cost recovery by 2000 will occur as technical assistance for the utilities in these communities is fully mobilized by first quarter FY 1999.

For improved decentralized utility management (IR 6.2), by 1999 the Alexandria wastewater authority will be exercising full authority to retain its revenues. By 2000 it will have secured approval of its Board of Directors to employ performance-based budgeting for financial management as well as central government approval of an independent personnel policy. By 2000 the secondary cities of Mansoura, Aswan and South Sinai as a group will be well along on their respective paths towards autonomy in personnel policy, performance-based budgeting, and revenue retention. Mansoura and Aswan will have full authority to retain their revenues and to employ performance-based budgeting, as well as central government approval of independent personnel policies, and South Sinai will have obtained approval at the level of the Governor of an independent personnel policy.

It is important that a successful legal, regulatory, institutional, and policy environment for water and wastewater service provision be established. Parallel with utility-level institutional development activities, USAID will launch in FY 1998 two initiatives that will clarify regulatory roles in the sector and build up consensus for an expanded policy reform agenda. The ultimate objective is to prepare the way for an environment where tariffs are based on reasonable rates of return, competition in service delivery lowers costs, and service quality, performance and environmental standards are maintained and enforced. By 2000, a national consensus on policy reforms will be building up to clear the path for achieving a system of regulated, locally autonomous water and wastewater utilities. An expanded policy dialogue at the national level is proposed for a sector policy and regulatory reform program beginning in late FY 1999, as discussed later in this section.

Under IR 6.3, Improved Capacity to Deliver Services, Alexandria's wastewater treatment capacity will nearly double by 2000 as expanded facilities come on line by the end of that year. Major gains in installed capacity will occur in the four secondary cities of Mansoura, Aswan, Luxor and South Sinai by 2001 as construction activities are completed in those communities, but these facilities are not expected to be fully on line by the end of FY 2000. In Port Said, Ismailia, and Suez, extensive improvements will result from the completion of the upgrade to the collection and conveyance system of pump stations and interceptor pipelines. The results of the Egypt Utilities Management program in terms of capacity to deliver services will also begin to materialize in the 2001/2002 period.

During the next three years, the Mission water/wastewater program must make critical and timely efforts to better position itself to respond to the emerging opportunities for significant reform in Egypt's urban water/wastewater sector. As described above, the mid- and longer-term future of USAID's urban water and wastewater program will focus on competitive utility management practices that rely on adequate cost recovery and improved



utilization of assets. The program will attempt to instill a commercial perspective to utility organization management. The total water/wastewater investment budget for the Government of Egypt over the next decade is estimated to be LE 16 - 23 billion (\$5 - \$7 billion), a number that overwhelms public sector resources. USAID's program is already supporting several private sector participation models based on private sector financing and operation of older systems as well as expansion requirements to meet new demands.

Given the dearth of public funds (GOE and donor) available for investment in the urban water sector, and the enormity of the investment required to make urgently needed improvements in the scope and quality of service needed to achieve SO 6, it is imperative that private capital be mobilized as soon as possible. Fundamental reforms are required at both the utility and sector level in order to remove legal, political, and other constraints to achieving a nationwide system of autonomous, regulated utilities -- the prerequisite for attracting significant private sector participation in the sector. The Mission has developed a conceptual plan for a new sector policy reform results package, tentatively scheduled for a FY 1999 or 2000 start. The new RP will focus on facilitating reforms through a combination of technical assistance at the sector level and mechanisms needed to attract private sector investment in targeted public-private utility "companies." The estimated cost of such a sector RP is \$110 million.

Washington approved the extension of SO 6 from 2001 to 2004 to allow time for assistance to utilities in smaller urban areas in Middle and Upper Egypt; however, the resource level for the SO was not increased at that time. With the initiation of the Egypt Utilities Management program and the Alexandria Wastewater Systems Expansion II program in 1997, including associated infrastructure construction activities, along with the proposed sector policy reform program, resources needed for the entire SO program have now been established at \$800 million which is \$280 million above approved resources in the Management Contract, estimated at \$520 million for the period 1996 - 2001.

With 20 years of extensive involvement in the sector, USAID has assumed a major role helping provide meaningful sector reform. The proposed sector policy reform program is a key element in this continuing process. Taking this into consideration, the Mission requests that SO 6 resources be increased through 2004 to a total of \$800 million, providing a funding level of about \$100 million per year.

EGYPT		Approved: June 1996	
STRATEGIC OBJECTIVE 6: Increased Access to Sustainable Water and Wastewater Service			
Indicator: Alexandria wastewater conveyance and primary treatment facilities			
Unit of Measure: In millions: Population served by USAID-funded infrastructure.	Year	Planned	Actual
	1995(B)		2.4
Source: AGOSD	1996	2.4	2.4
Comments:  1998 and out-year targets have been adjusted slightly to factor in updated population growth estimates.	1997	2.4	2.6
	1998	2.6	
	1999	2.7	
	2000	3.6	
	2001	3.75	
	2002	3.8	
	2003	3.9	
	2004(T)	4.0	
Indicator: Cairo (West Bank) wastewater conveyance and treatment facilities			
Unit of Measure: In millions: Population served by new connections and/or improved USAID-funded sewerage infrastructure.	1995(B)	4.0	4.0
	1996	4.2	4.2
Source: CWO West Bank Strategic Plan	1997	4.4	3.0
Comments:  The 1998 target has been adjusted to factor in updated population growth estimates. Reporting against this indicator will be discontinued after FY 1998.	1998(T)	3.2	
Indicator: Cairo (West Bank) connections in unsewered areas			
Unit of Measure: In millions: Population served by new USAID-funded connections to sewerage service.	1995(B)		1.9
	1996	2.0	2.0
Source: Cairo GOSD	1997	2.0	2.1
Comments:  Reporting against this indicator will be discontinued after FY 1998.	1998(T)	2.1	

<b>Indicator:</b> Other major urban centers wastewater conveyance and treatment facilities			
<b>Unit of Measure:</b> In millions: Population served by USAID-funded infrastructure	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1995(B)		0.5
<b>Source:</b> NOPWASD, Local Administrations, and TA contractors.	1996	0.87	0.87
<b>Comments:</b>  Data through 1997 includes Ismailia, Suez, Port Said, and Fayoum. The actual level for 1997, derived from 1996 census data and updated population growth estimates, is not a shortfall.  Out-year targets reflect adjusted population growth estimates and commissioning of facilities in Ismailia, Suez, Port Said and Mansoura. These targets will be revised again to include projections for new work in Fayoum once the Middle Egypt master plan update is completed in 1999.	1997	1.27	1.17
	1998	1.18	
	1999	1.21	
	2000	1.24	
	2001	1.40	
	2002	1.43	
	2003	1.47	
	2004(T)	1.51	
<b>Indicator:</b> Other major urban centers water transmission and treatment facilities			
<b>Unit of Measure:</b> In millions: Population served by USAID-funded water transmission and treatment facilities.	1995(B)		0.23
	1996	0.23	0.23
<b>Source:</b> NOPWASD, Local Administrations, and TA contractors.	1997	0.23	0.23
<b>Comments:</b>  The baseline and targets through 1997 reflect population served in Fayoum only, of which only 130,000 are served by USAID-funded water treatment facilities.  Out-year targets reflect population growth in Fayoum as well as the commissioning of new facilities in Mansoura in 2001. Targets have been adjusted upward to reflect increased reliance of Port Said on the Quantara raw water pipeline. Targets will be adjusted further to include new infrastructure in Fayoum once the Middle Egypt Master Plan Update is completed in 1999.	1998	0.39	
	1999	0.40	
	2000	0.41	
	2001	0.72	
	2002(T)	0.74	

<b>Indicator:</b> Minor urban centers wastewater conveyance and treatment facilities			
<b>Unit of Measure:</b> In millions: Population served by new connections and/or improved USAID-funded sewerage infrastructure.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1995(B)		0.23
<b>Source:</b> NOPWASD, Local Administrations, and TA contractors.  <b>Comments:</b>  Data have been corrected to reflect the actual portion of the minor urban centers' populations served by USAID-funded infrastructure since 1995 (230,000). Out-year targets have been reduced by 40 percent to correct population growth estimates in Minya and Beni Suef and to update projections of populations to be served by new facilities beginning in 2001 in the secondary cities of Luxor, Aswan, and South Sinai. Targets will be revised again to include projections based on new capacity in Beni Suef and Minya once the Middle Egypt Master Plan Update is completed in 1999.	1996	0.23	0.23
	1997	0.23	0.23
	1998	0.23	
	1999	0.24	
	2000	0.24	
	2001	0.40	
	2002	0.41	
	2003	0.43	
	2004(T)	0.44	
<b>Indicator:</b> Minor urban centers connections in unsewered areas			
<b>Unit of Measure:</b> In millions: Population served by new USAID-funded connections to sewerage service.	1995(B)		0
	1996	0	0
<b>Source:</b> NOPWASD, Local Administrations, and TA contractors.  <b>Comments:</b>  Includes Luxor, Aswan, and South Sinai under the Secondary Cities Project. The out-year targets have been reduced by 40 percent to correct population growth estimates and capacity improvements derived from recent USAID-funded engineering studies in these cities. Targets will be revised again to include projections for Beni Suef and Minya once the Middle Egypt Master Plan Update is completed in 1999.	1997	0	0
	1998	0	
	1999	0	
	2000	0.15	
	2001	0.16	
	2002	0.16	
	2003	0.16	
	2004(T)	0.17	
<b>Result No. 6.1: Improved Sustainability through the Recovery of Full O&amp;M Costs</b>			
<b>Indicator:</b> Alexandria wastewater O&M costs covered by generated revenues			
<b>Unit of Measure:</b> %	1995(B)		27
<b>Source:</b> AGOSD, TA contractor	1996		35

<b>Comments:</b>  The 1998 and out-year targets have been revised downward to reflect probable delays in annual tariff increases which will have the effect of lowering each year's cumulative annual revenue generation. The expected performance drop in 2002 is due to increased costs for operating the expanded treatment system.	Year	Planned	Actual
	1997	83	73
	1998	90	
	1999	100	
	2000	105	
	2001	110	
	2002	90	
	2003	90	
	2004(T)	100	
<b>Indicator:</b> Cairo wastewater O&M costs covered by generated revenues			
<b>Unit of Measure:</b> %	1995(B)		16
<b>Source:</b> Cairo GOSD, TA contractor.	1996		21
<b>Comments:</b>  Reporting against this indicator will be discontinued after FY 1998.	1997	64	28
	1998(T)	64	
<b>Indicator:</b> Cairo water O&M costs covered by generated revenues			
<b>Unit of Measure:</b> %	1996(B)		67
<b>Source:</b> GOGCWS, TA contractor.	1997	70	75
<b>Comments:</b> Reporting against this indicator will be discontinued after FY 1998.	1998(T)	77	
<b>Indicator:</b> Other major urban centers utility O&M costs covered by generated revenues			
<b>Unit of Measure:</b> %	1995(B)		19.5
<b>Source:</b> NOPWASD, Local Administrations, and TA contractors	1996	40	30
<b>Comments:</b> Indicator reflects the simple mean of the individual cost recovery percentages of Mansoura, Suez, Port Said, Ismailia, and Fayoum.	1997	50	51
	1998	60	

<p>Baseline and actuals through 1996 and targets through 2001 in last year's R4 covered Mansoura and Fayoum only as data were not available for Suez, Ismailia, and Port Said. Performance reported in 1997 includes Manosura and Fayoum (44 percent) and the additional three canal cities for an actual of 51 percent.</p> <p>Targets have been added through 2004 to track work under Secondary Cities and Egypt Utilities Management (EUM).</p>	Year	Planned	Actual
	1999	65	
	2000	75	
	2001	85	
	2002	90	
	2003	95	
	2004(T)	100	
<b>Indicator:</b> Minor urban centers utility O&M costs covered by generated revenues			
<b>Unit of Measure:</b> %	1995(B)		30
<b>Source:</b> NOPWASD, Local Administrations, and TA contractors.	1996	30	30
<p><b>Comments:</b></p> <p>Indicator reflects the simple mean of the individual cost recovery percentages of Minya, Beni Suef, Aswan , South Sinai, and Luxor.</p> <p>Targets have been added through 2004 to track work under Secondary Cities and EUM.</p>	1997	40	48
	1998	50	
	1999	65	
	2000	75	
	2001	85	
	2002	90	
	2003	95	
	2004(T)	100	
<b>Result 6.2: Improved Decentralized Utility Management</b>			
<b>Indicator:</b> Alexandria wastewater organization delegated appropriate authorities			
<p><b>Unit of Measure:</b> Points based on one-third point for each of the following delegated authorities: retain revenues, internally manage personnel policy, and a performance-based budget.</p>	1993 (B)		0
	1994		33
	1995		33
<b>Source:</b> AGOSD	1996	67	67

<b>Comments:</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1997	67	33
	1998	67	
	1999	67	
	2000	100	
	2001	100	
	2002(T)	100	
<b>Indicator:</b> Cairo wastewater organization delegated appropriate authorities			
<b>Unit of Measure:</b> Points, based on one third point for each of the following delegated authorities: retain revenues, internally manage personnel policy, and a performance-based budget.	1995(B)		33
	1996	67	33
	1997	100	0
<b>Source:</b> Cairo GOSD, TA contractor	1998(T)	100	
<b>Comments:</b>  Reporting against this indicator will be discontinued after FY 1998.			
<b>Indicator :</b> Cairo water organization delegated appropriate authorities			
<b>Unit of Measure:</b> Points based on one-third point for each of the following delegated authorities: retain revenues, internally manage personnel policy, and budget by chart of accounts.	1995 (B)		33
	1996	100	33
<b>Source:</b> GOGCWS, TA contractor	1997	100	33

<b>Comments:</b>  Reporting against this indicator will be discontinued after FY 1998.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1998 (T)	100	
<b>Indicator:</b> Utility organizations within other major urban centers delegated appropriate authorities			
<b>Unit of Measure:</b> Points based on one-third point for each of the following delegated authorities (for each location): retain revenues, internally manage personnel policy, and budget by chart of accounts.	1995(B)		0
	1996		200
	1997	300	0
<b>Source:</b> NOPWASD, Local Administrations, TA contractors.	1998	333	
<b>Comments:</b>  Indicator covers Fayoum, Suez, Ismailia, Port Said, and Mansoura.	1999	367	
	2000	400	
	2001	400	
	2002	400	
	2003	400	
	2004(T)	400	
<b>Indicator:</b> Utility organizations within minor urban centers delegated appropriate authorities			
<b>Unit of Measure:</b> Points based on one third point for each of the following delegated authorities (for each location): retain revenues, internally manage personnel policy, and budget by chart of accounts.	1995 (B)		0
	1996	0	0
	1997	100	0
<b>Source:</b> NOPWASD, Local Administrations, and TA contractors.	1998	200	
<b>Comments:</b>  Indicator includes Minya, Beni Suef, Aswan, South Sinai, Luxor.	1999	300	
	2000	400	
	2001	500	
	2002	500	
	2003	500	
	2004 (T)	500	



<b>IR 6.2: Improved Decentralized Utility Management</b>  Performance Measurement  1. Each utility is assigned a cumulative percentage score against its progress towards delegation of authority in each of the three reform areas (personnel policy, performance-based budgeting, revenue retention).  2. The three scores are aggregated by computing their simple average, which is in turn the aggregate score for the specific urban center.  3. For the "other major" and "minor" urban center indicators, a composite score for the indicator is derived by computing the simple average of the aggregated scores of each of the urban centers covered by the indicator.		INDICATOR		SCORE, %
		Personnel Policy	Undeveloped	0
			Developed	10
			Approved by Chairman	20
			Approved by Board of Directors	30
			Approved by Governor	40
			Approved by Central Agency for Org. and Admin.	50
			Approved by Prime Minister	75
			Implemented	100
		Budget by Chart of Accounts	Undeveloped	0
			Developed	12.5
			Approved by Financial Manager	25
			Approved by Chairman	37.5
			Approved by Board of Directors	50
			Approved by Minister of Finance	75
			Implemented	100
		Revenue Retention	No Plan to Retain Revenues	0
			Plan Developed	12.5
			Approved by Financial Manager	25
			Approved by Chairman	37.5
			Approved by Board of Directors	50
			Approved by Minister of Finance	75
			Revenue Retained	100

<b>Result 6.2: Improved Decentralized Utility Management</b>			
<b>Indicator:</b> Alexandria wastewater organization delegated appropriate authorities			
<b>Unit of Measure:</b> % - Cumulative progress towards each of the following delegated authorities: internally manage personnel policies, employ a performance-based budget, and retain revenues.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1996(B)		35
	1997		51
<b>Source:</b> AGOSD	1998	51	
<b>Comments:</b>	1999	63	
	2000	67	
	2001	75	
	2002	83	
	2003	92	
	2004(T)	100	
<b>Indicator:</b> Cairo wastewater organization delegated appropriate authorities			
<b>Unit of Measure:</b> % - Cumulative towards each of the following delegated authorities: internally manage personnel policies, employ a performance-based budget, and retain revenues.	1996(B)		8
	1997		12
	1998(T)	15	
<b>Source:</b> Cairo GOSD, TA contractor			
<b>Comments:</b>			
Reporting against this indicator will be discontinued after FY 1998.			
<b>Indicator:</b> Cairo water organization delegated appropriate authorities			
<b>Unit of Measure:</b> % - Cumulative progress towards each of the following delegated authorities: internally manage personnel policies, employ a performance-based budget, and retain revenues.	1996(B)		37
	1997		56
	1998(T)	63	
<b>Source:</b> GOGCWS, TA contractor			
<b>Comments:</b>			
Reporting against this indicator will be discontinued after FY 1998.			
<b>Indicator:</b> Utility organizations within other major urban centers delegated appropriate authorities			
<b>Unit of Measure:</b> % - Cumulative progress towards each of the following delegated authorities: internally manage personnel policies, employ a performance-based budget, and retain revenues.	1996(B)		58
	1997		72
	1998	72	



Source: NOPWASD, Local Administrations, TA	Year	Planned	Actual
<b>Comments:</b>  Actual performance as well as targets for Mansoura only. Targets for Fayoum will be factored in after mobilization of the Middle Egypt institutional development contractor in FY 1999.	1999	72	
	2000	75	
	2001	92	
	2002	92	
	2003	92	
	2004 (T)	100	
<b>Indicator:</b> Utility organizations within minor urban centers delegated appropriate authorities			
<b>Unit of Measure:</b> % - Cumulative towards each of the following delegated authorities: internally manage personnel policies, employ a performance-based budget, and retain revenues.	1996(B)		19
	1997		23
	1998	24	
Source: NOPWASD, Local Administrations, and TA	1999	27	
<b>Comments:</b>  Actual performance as well as targets for Aswan, Luxor, and South Sinai only. Targets for Beni Suef and Minya will be factored in after mobilization of the Middle Egypt institutional development contractor in FY 1999.	2000	35	
	2001	45	
	2002	59	
	2003	77	
	2004(T)	100	

**Result 6.3: Improved Capacity to Deliver Services through Improved Systems and Qualified Staff****Indicator:** Alexandria wastewater treated to design standards**Unit of Measure:** Million liters per day (MLD)**Source:** AGOSD, TA contractors.**Comments:**

The two USAID-funded wastewater treatment plants have been operating at their combined design capacity of 585 MLD since being commissioned in 1995. The next increment of treatment capacity will come on line in 2000 with the commissioning of additional treatment capacity under the recently initiated Alexandria Wastewater System Expansion II Project (263-0241).

1995(B)		585
1996	585	585
1997	585	585
1998	585	
1999	585	
2000	972	
2001	982	
2002	995	
2003	1005	
2004	1015	

<b>Indicator:</b> Cairo west bank wastewater treated to design standards			
<b>Unit of Measure:</b> Million liters per day (MLD)	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> Cairo - GOSD, TA contractor	1995(B)	730	600
<b>Comments:</b>  Reporting against this indicator will be discontinued after FY 1998.	1996	730	630
	1997	730	700
	1998	730	
	1999		
	2000(T)		
<b>Indicator:</b> Cairo (West Bank), quantity of wastewater collected and conveyed to treatment facilities			
<b>Unit of Measure:</b> MLD	1995(B)		600
<b>Source:</b> Cairo GOSD, TA contractor.	1996	610	630
<b>Comments:</b>  Reporting against this indicator will be discontinued after FY 1998.	1997	700	720
	1998	770	
	1999		
	2000(T)		
<b>Indicator:</b> Other major urban centers wastewater treated to design standards			
<b>Unit of Measure:</b> MLD	1995(B)		85
<b>Source:</b> NOPWASD, Local Administrations, TA	1996	150	150
<b>Comments:</b>  Indicator includes Fayoum, Suez, Ismailia, Port Said, and Mansoura  Targets for 1998 and out-years reflect projected capacity gains in Fayoum, Suez, Ismailia, Port Said, and Mansoura. Out-year targets will be revised again to include projections for Fayoum once the Middle Egypt Master Plan Update is completed in 1999.	1997	275	276
	1998	285	
	1999	290	
	2000	300	
	2001	310	
	2002	320	
	2003	330	
	2004(T)	340	
<b>Indicator 6.3.e:</b> Other major urban centers - quantity of wastewater collected and conveyed to treatment facilities			
<b>Unit of Measure:</b> Million liters per day (MLD)	1995 (B)		14
<b>Source:</b> NOPWASD, Local Administrations, and TA contractors.	1996	14	14

<b>Comments:</b>  Baseline and targets through 1997 in last year's R4 reflected Fayoum only. This indicator has been expanded to encompass Port Said, Ismailia, Suez, and Mansoura. Targets beyond 1997 have been added covering Fayoum (existing facilities), Port Said, Ismailia, Suez, and Mansoura. Out-year targets will be revised again to include new capacity in Fayoum once the Middle Egypt Master Plan Update is completed in 1999.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1997	14	295
	1998	300	
	1999	310	
	2000	320	
	2001	350	
	2002	360	
	2003	370	
	2004(T)	380	
<b>Indicator:</b> Other major urban centers water treated to design standards			
<b>Unit of Measure:</b> MLD	1995(B)	26	26
<b>Source:</b> NOPWASD, Local Administrations, and TA	1996	26	31
<b>Comments:</b>  Post-2001 targets have been revised upward to reflect new projections for water demand in Mansoura. Out-year targets will be revised again to include projections for Fayoum once the Middle Egypt Master Plan Update is completed in 1999.	1997	26	35
	1998	26	
	1999	26	
	2000	26	
	2001	130	
	2002	132	
	2003	136	
	2004(T)	140	
<b>Indicator:</b> Other major urban centers water stored and distributed to consumers			
<b>Unit of Measure:</b> MLD	1995 (B)		26
<b>Source:</b> NOPWASD, Local Administrations, TA contractors	1996	26	26
<b>Comments:</b>  Data through 2000 reflects the situation in Fayoum only. Increase in 2001 reflects commissioning of new storage and distribution facilities in Mansoura funded by the Secondary Cities Project. Post-2001 targets reflect new projections for water demand in Mansoura. Out-year targets will be revised to include projections for Fayoum once the Middle Egypt Master Plan Update is completed in 1999.	1997	26	26
	1998	26	
	1999	26	
	2000	26	
	2001	130	
	2002	132	
	2003	136	

	2004 (T)	140	
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<b>Indicator:</b> Minor urban centers wastewater treated to design standards			
<b>Unit of Measure:</b> MLD	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> NOPWASD, Local Administrations, TA contractor.	1995(B)		21
<b>Comments:</b>  The base year and targets through 2000 reflect the existing situation in Minya and Beni Suef. Targets for 1998 and beyond have been revised to reflect increased demand due to population growth.  Commissioning of new wastewater treatment facilities in Aswan, South Sinai, and Luxor, funded by the Secondary Cities Project, is now a 2001 target in lieu of 2000 as projected last year. Targets for 2001 - 2004 have been reduced slightly to reflect more accurate projections of wastewater volumes to be treated in USAID-funded infrastructure in Aswan, South Sinai, and Luxor. Post-2001 targets will be revised again to include new treatment at Beni Suef and Minya once the Middle Egypt Master Plan Update is completed in 1999.	1996	21	21
	1997	21	34
	1998	35	
	1999	36	
	2000	37	
	2001	65	
	2002	67	
	2003	70	
	2004(T)	73	
<b>Indicator:</b> Minor urban centers water treated to design standards			
<b>Unit of Measure:</b> MLD	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> NOPWASD, Local Administrations, TA	1995(B)		26
<b>Comments:</b>  The base year and targets through 2000 cover Minya and Beni Suef. The 1998 target and beyond have been revised upward to reflect increased demand due to population growth.  Performance in 2001 reflects commissioning of new water treatment facilities in Aswan, South Sinai, and Luxor, funded by the Secondary Cities Project. Out-year targets will be revised, and extended to 2004, to include new projections for Minya and Beni Suef once the Middle Egypt Master Plan Update is completed in 1999.	1996		26
	1997	26	51
	1998	54	
	1999	55	
	2000	57	
	2001(T)	85	

## **SO 7: Reduced Generation of Air Pollution**

### **1. Performance Analysis:**

#### **Summary Performance Rating: Met Expectations**

Since the last R4, USAID/Egypt revised the SO 7 strategic plan and results framework at the intermediate result level. In January 1998, USAID/W approved an extension in the life of the SO to FY 2002 and an increase in the resource level. Because of the timing of the revision, the Mission assessed 1997 performance for this R4 on the basis of the original (1996) plan and framework which are found in Annex K. The tables which follow the narrative set the framework for performance tracking in 1998 and beyond.

Overall progress in 1997 has been generally satisfactory at the SO and IR levels. Further installation of energy efficient technologies and the widespread introduction of unleaded gasoline resulted in measurable reductions in the generation of air pollution. Accumulated reductions of five out of six priority contaminants met or fell slightly short of targets at the SO level, while reduction of lead significantly exceeded the target.

The U.S.-Egyptian Partnership for Economic Growth and Development, a vehicle for policy reform dialogue, contributed substantially to the significant progress made in lead reduction. The agenda for Subcommittee III on the environment, co-chaired by the USAID Administrator and the GOE Minister of State for Environmental Affairs, includes the reduction of lead pollution. As a result of that attention, the GOE adopted the Lead Smelter Action Plan in 1996 and began implementation in 1977, assisted by USAID activities under Cairo Air Improvement. The Partnership's focus on reducing lead pollution also contributed to the phase-out of leaded gas production begun in 1997. The final element of the overall lead pollution reduction effort, the Lead Exposure Abatement Plan, was prepared with USAID assistance and adopted by the GOE last year.

At the IR level, moderate progress was sustained. For those IRs showing the least relative progress according to indicators (IRs 7.1.1 - Improved Environmental Policy Framework and 7.1.4 - Environmental Management Strengthened), the foundations for future progress have nonetheless been established. A very positive sign occurred in July 1997 when a Ministry of State for Environmental Affairs was created and a minister appointed. The new minister in turn appointed a new chief executive officer for the Egyptian Environmental Affairs Agency (EEAA), the former director of the Ministry of Petroleum's Organization for Energy Conservation and Planning. Combined, these two leaders have begun to re-think GOE environmental affairs operations and have shown a clear commitment to improve environmental policy formulation and implementation and to upgrade the capacity of the EEAA to execute its mandate effectively. USAID has established excellent and collegial working relationships with both the minister and the EEAA chief. The policy reform orientation of the new GOE leadership has been demonstrated by a "policy framework" document, produced by the minister and senior ministry staff, which over the long-term aims

to integrate an environmental dimension into relevant national policies, plans, programs, projects, and practices to realize sustainable development.

Another factor affecting the empirical performance of IR indicators was the delayed start-up of the Cairo Air Improvement results package due to protracted delays in technical assistance procurement. In its absence, performance of most indicators was dependent on USAID support under a single initiative, the Energy Conservation and Environment Project (ECEP). Delays encountered by ECEP in the installation and subsequent measurement of reduced generation of pollutants negatively affected several performance indicators. All ECEP technology demonstrations are now on schedule.

A comprehensive environmental sector assessment (ESA) was a major undertaking last year. The ESA was conducted to help determine focus and approaches to be used in achieving the SO. Extensive customer contact was fundamental to the ESA process. Feedback from customers was obtained through preparations for the assessment, participation panels held in various regions of the country on environmental topics, and ongoing consultation and feedback from an Egyptian steering committee working with USAID to address policy impediments. Significant findings of this extensive feedback included a very high level of concern over problems associated with municipal solid waste, the vast need to build public awareness of environmental issues, and a surprising degree of openness, even by local government and local NGOs, on the important role of the private sector in solving environmental pollution problems.

Partnerships were further enhanced through outreach to industry and business groups on energy efficiency and pollution prevention issues. The path-breaking work begun with the 10th of Ramadan City investors group to establish a city-wide self-compliance program, and similar collaborative efforts with Alexandria's sewerage authority and local industry, are prime examples. These efforts are beginning to pay dividends as industry leaders become more familiar with environmental regulations and the manifold benefits to industry in meeting them.

Coordination among donors is good, with both formal and informal contact, coordination, and collaboration the norm. Donors have made relatively greater progress on technical projects (such as the United Kingdom's Department for International Development's industrial pollution prevention project and DANIDA's air quality monitoring efforts) than on GOE institutional capacity-building. The slowness in achieving the latter is affecting the ability of all donors, USAID included, to implement their programs with the EEAA effectively. The new minister and EEAA leaders are reviewing all donor activities intended to develop GOE capacity, as well as their own internal structure and operations, to determine how to maximize the efficient use of donor support.

As a result of the ESA and experience garnered from on-the-ground environmental activities, USAID revised the SO 7 strategic plan and results framework in early FY 1998. An intermediate result for solid waste management was added, indicators refined to better

describe and guide USAID activities, and a policy based approach to program interventions

adopted. A comprehensive performance monitoring and evaluation system, designed with technical assistance from the Global Bureau's Environmental Health Project and input from Global and ANE Bureau virtual team members, will begin results tracking next year.

## **2. Expected Progress Through FY 2000 and Management Actions:**

Prospects are high for good performance next year, although significant challenges remain. In FY 1998, the Cairo Air Improvement program will begin its second full year of operation and additional USAID support will be available through the Egypt Environment Policy Program (EEPP), including public awareness and training. Reduction of pollution from priority contaminants (SO level indicators) is expected to accelerate. The Partnership's influence under Subcommittee III is expected to play a heightened role supporting progress in areas such as global climate change, improved environmental health monitoring, public-private partnerships for industrial self-compliance, improved air quality in Cairo, strategies to increase environmental investments, and policy recommendations for solid waste management. The new ministry leadership and growing recognition among the more progressive business leaders of the necessity for enhanced environmental management augur well for achieving future results.

In the coming two-year period measurable progress will be made on all IRs. The fastest advance is anticipated under IR 7.1 (Cleaner and More Efficient Use of Energy) given the considerable momentum to expand uses of natural gas in transportation and industry, the Ministry of Petroleum's on-going initiative to completely phase out leaded gasoline production, and the determination of the GOE, with assistance under Cairo Air, to implement the Cairo-wide vehicle testing and certification program. The groundwork will be laid for initial progress under IR 7.3 (Improved Solid Waste Management). The widespread demand in Egyptian society for a practical and sustainable solution to this most vexing environmental problem should propel the GOE and the private sector to establish the proper policy, regulatory, and financial environment for systematizing the current ad hoc manner in which solid waste is handled.

Perhaps the most challenging element of the SO will be IR 7.2 (Reduced Industrial Pollution) as the GOE, at both the national and governorate level, and Egyptian industry grope for ways in which Law 4 (the new Environmental Law) and other relevant regulations can be satisfied. Targets may need to be modified after enforcement begins in early 1998. This is *terra incognita* for both sides and a period of uncertainty can be anticipated. Egyptian industry is now realizing the economic and environmental value of energy efficiency investments. A 1997 ECEP-funded industry survey found that 66 percent of responding industries were willing to invest their own funds on such equipment. However, overall industry response to other environmental investments (general pollution abatement) has been less positive. The same survey found that only 30 percent of respondents were willing to make such non-energy investments. USAID will be heavily engaged with its government and industry partners in helping to establish the best policy, regulatory, and institutional setting for meeting the requirements of the law and good business practices.

Under the Egypt Environment Policy Program, it is vital that GOE partners see related technical assistance as an important instrument for their use. Experience under the SPR-based policy reform agenda demonstrated that the reform process is much smoother and more effective when the government partner sees USAID-funded technical assistance necessary for the achievement of their policy agenda.

In its original structure, SO 7 addressed issues affecting global climate change implicitly through efforts directed at increased energy efficiency and fuel switching. Because of the growing importance of global climate change and related problems in Egypt, the revised results framework now includes explicit indicators under IR 7.1 designed to capture progress made to reduce the emission of greenhouse gases. At the January 1998 SO 7 strategy review, the Mission agreed to develop and incorporate by the fall of 1998 global climate change indicators consistent with the Agency's, subject to their adoption by the Agency and the availability of data for Egypt. The importance of global climate change reporting is being elevated through its proposed inclusion in the U.S.-Egyptian Partnership Subcommittee III agenda and in the policy agenda of the planned EEPP. As a result, the Mission will be in a position to discuss how SO 7 contributes to the Agency's Climate Change Strategy and Action Plan in the next R4.

In accordance with other decisions reached in the January 1998 review, the language in the revised performance data tables about the geographic scope of measurements has been clarified to allow an assessment of the degree of national significance in the results. The Mission will collaborate with ANE/SEA and G/ENV to develop a policy reform index or another indicator to track improvements in the policy environment. The Mission intends to reach agreement on this indicator by August 1998 in order to allow sufficient time for results reporting next year. An indicator is being added on compressed natural gas vehicle conversions to show the impact of GOE policy promoting cleaner fuel. Currently 70 percent of vehicle conversions are taxis. Fueling system infrastructure needs to keep pace with the planned rate of conversions. The Mission has also changed the target date for the completion of leaded gas phase-out from 1998 to 2000. The earlier plan of the Ministry of Petroleum to complete the nationwide distribution of unleaded gas in 1998 shifted to 2000 because two refineries still using lead as an additive will remove lead through changes in refining technology rather than substitute MTBE for tetraethyl lead. Although this technology change is more costly and takes longer to implement, it will ultimately have a more beneficial environmental effect.

EGYPT				Approved: June 1996
STRATEGIC OBJECTIVE NO. 7: REDUCED GENERATION OF AIR POLLUTION (Revised 1/98)				
Indicator: Lead				
Unit of Measure: Metric tons of emissions averted	Year	Planned	Actual	
Source: Cairo Air Improvement Program (CAIP); Environmental Information and Management Program (EIMP) of Egyptian Environmental Affairs Agency (EEAA)	1996 (B)	N.A.	0	
	1997	519	519	
Comments:  New unit of measurement is changed from percentage to tons averted.	1998	1,095		
	1999	1,497		
	2000	1,497		
	2001	1,575		
	2002 (T)	1,594		
	Indicator: PMIO			
Unit of Measure: Metric tons of emissions averted	1996 (B)	N.A.	0	
Source: CAIP; EIMP	1997	256,000	256,000	
Comments:  Unit of measurement changed from percentage to tons averted.	1998	336,000		
	1999	722,000		
	2000	891,000		
	2001	1,060,000		
	2002 (T)	1,060,000		
Indicator: CO				
Unit of Measure: Metric tons of emissions averted	1995 (B)	N.A.	14,419	
Source: EIMP	1996	21,623	22,560	
Comments:	1997	54,030	44,962	
	1998	122,253		
	1999	275,166		
	2000	443,778		
	2001	628,066		
	2002 (T)	739,674		
Indicator: SOx				
Unit of Measure: Metric tons of emissions averted	1995 (B)	N.A.	20,202	
Source: EIMP	1996	21,499	22,959	

<b>Comments:</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1997	48,660	44,472
	1998	133,435	
	1999	248,044	
	2000	378,223	
	2001	523,966	
	2002 (T)	669,726	
<b>Indicator:</b> NOx			
<b>Unit of Measure:</b> Metric tons of emissions averted	1995 (B)	N.A.	4,262
<b>Source:</b> EIMP	1996	8,879	9,423
<b>Comments:</b>	1997	42,392	36,681
	1998	106,744	
	1999	198,130	
	2000	308,460	
	2001	438,918	
	2002		571,535
<b>Result No. 7.1      Cleaner and more Efficient Energy Use</b>			
<b>Indicator:</b> Unleaded gasoline as a percentage of total production (nationwide)			
<b>Unit of Measure:</b> %	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> Ministry of Petroleum reports	1997 (B)	N.A.	80
<b>Comments:</b>  Complete nationwide availability of unleaded gasoline planned by mid 1998.	1998	100	
	1999	100	
	2000	100	
	2001	100	
	2002 (T)	100	
<b>Indicator:</b> Number of Cairo buses using CNG			
<b>Unit of Measure:</b> Cumulative number of public municipal buses operating on CNG	1996 (B)	N.A.	0
	1997	0	0
<b>Source:</b> CAIP; Cairo Transport Authority; Greater Cairo Bus Co.	1998	7	



<b>Comments:</b>  Unit of measurement changed from percentage to actual number.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1999	125	
	2000	275	
	2001	300	
	2002 (T)	400	
<b>Indicator:</b> Vehilce conversions from gasoline to Bifuel (CNG and Gasoline)			
<b>Unit of Measure:</b> Number of vehicle conversions to Bifuel.	1996(B)	0	1,100
<b>Source:</b> Vehicle conversion companies	1997	0	5,500
<b>Comments:</b>	1998	15,500	
	1999	29,000	
	2000	42,500	
	2001(T)	56,000	
	2002	69,500	
<b>Indicator:</b> Percentage of Cairo vehicles meeting emission standards			
<b>Unit of Measure:</b> %	1996 (B)	N.A.	0
<b>Source:</b> CAIP; MOEA/EEAA	1997	0	0
<b>Comments:</b>  Unit of measurement changed from number of vehicles to percentage.	1998	0	
	1999	80	
	2000	80	
	2001	80	
	2002 (T)	80	
<b>Indicator:</b> Greenhouse gas efficiency of economy			
<b>Unit of Measure:</b> Carbon dioxide emission factor for fuel mix divided by Gross Domestic Product	1997(B)	N.A.	1.34
	1998	1.45	
<b>Source:</b> MOP Annual Report; USAID/Egypt Economic Analyses	1999	1.52	
<b>Comments:</b>	2000	1.68	
	2001	1.77	
	2002 (T)	1.85	
<b>Indicator:</b> Natural gas or renewable energy as a percentage of total fuel mix			
<b>Unit of Measure:</b> % Ton oil equivalent of national gas and renewable energy (including hydropower) as percentage of total fuel use.	1997 (B)	N.A.	42
	1998	44	
<b>Source:</b> Egypt Energy Statistics, OECF	1999	48	

Comments:	Year	Planned	Actual
	2000	52	
	2001	56	
	2002 (T)	60	
<b>Result No. 7.2     Reduced Industrial Pollution</b>			
<b>Indicator:</b> Industry with Law 4 compliance action plans submitted to EEAA			
<b>Unit of Measure:</b> % based on five thousand largest industrial plants	1997 (B)	N.A.	1
<b>Source:</b> MOEA/EEAA	1998	10	
<b>Comments:</b>	1999	25	
	2000	50	
	2001	60	
	2002 (T)	70	
<b>Indicator:</b> Reduction (in tons) of lead emissions from smelters			
<b>Unit of Measure:</b> Tons of emissions averted	1997 (B)	N.A.	0
<b>Source:</b> CAIP; EIMP	1998	446	
<b>Comments:</b>	1999	848	
	2000	848	
	2001	926	
	2002	945	
<b>Indicator:</b> Industry in compliance with Law 4			
<b>Unit of Measure:</b> % based on five thousand largest industrial plants.	1997 (B)	N.A.	0
<b>Source:</b> MOEA/EEAA reports	1998	5	
<b>Comments:</b>	1999	15	
	2000	25	
	2001	40	
	2002 (T)	50	

<b>Result No. 7.3 Improved Solid Waste Management</b>			
<b>Indicator:</b> Number of operating landfills meeting defined standards			
<b>Unit of Measure:</b> Landfill site	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> MOEA records; records from various governorates	1997 (B)	N.A.	0
<b>Comments:</b>	1998	0	
	1999	4	
	2000	6	
	2001	8	
	2002 (T)	8	

## **SO 8: Natural Resources Managed for Environmental Sustainability**

### **1. Performance Analysis:**

#### **Summary Performance Rating: N/A -- New SO**

This new SO was approved by Washington in January 1998, funded at a level of \$54 million through FY 2002. It builds on work started under Special Objective D related to coral reef preservation and coastal habitat protection and focuses on developing a natural resource management program designed to protect the coastal and marine habitats of the Red Sea, while allowing tourism and other economic initiatives to develop.

### **2. Expected Progress Through FY 2000 and Management Actions:**

Initial implementation will begin in 1998, including: reaching agreement with the GOE on policy reform measures; setting benchmarks for achievement; establishing a monitoring system; and developing annual targets of performance for the SO results framework. (A full baseline for the performance monitoring plan was established in FY 1997; however, the annual targets for achievement have not yet been finalized.) USAID anticipates that performance data tables with annual targets will be completed no later than November 1998. This will allow progress to be reported in meeting SO 8 targets in the FY 2001 R4. Utilizing a sector policy approach, USAID support under this SO will be provided through the Egypt Environment Policy Program, which is slated to begin in FY 1998.

In the USAID/W review of Strategic Objective 8, the Mission was asked to add intermediate level indicators to measure the geographic coverage of the SO, the number of mooring buoys and sites in the Red Sea Marine Park, and the achievement of policy reform measures through the use of a policy index. The Mission expects to reach agreement with the ANE Bureau on the use of a policy index or another form of indicator to measure changes in the policy environment by August 1998 and add this and other agreed-upon indicators to the results framework and performance monitoring plan.

## **SpO D: Approaches to Sustainable Tourism Demonstrated**

### **1. Performance Analysis:**

#### **Summary Performance Rating: Met Expectations**

Progress has been very positive, especially in the area of natural resource management, where all four models for sustainable tourism management have been achieved. As a result of early achievement, the Mission decided to "graduate" Natural Resource Management under SpO D to Strategic Objective status. The new Strategic Objective 8, "Natural Resources Managed for Environmental Sustainability", was reviewed and approved by USAID/W in January 1998.

Regarding Cultural Resource activities, the Mission extended the life of these activities from June 30, 1998 to June 30, 1999 and increased the resource level up to \$1 million to allow for the orderly completion of the two remaining models: Cultural Resource Management and Adaptive Reuse Pilot Demonstration.

Progress on each of the six models under SpO D follows:

I. Red Sea Marine Park/Protectorate: More than 250 mooring buoys have been installed (45% of Park now serviced by mooring points), 4 fully equipped EEAA Rangers are patrolling the park, 2 new areas have been opened for diving, 350 dive boat captains have been trained to use the mooring systems correctly, and the Red Sea Governorate is working closely with the EEAA Rangers and the Coast Guard to enforce regulations of park.

II. Policy Framework for Developing an Environmentally Sustainable Tourism Strategy for the Egyptian Red Sea Coast: This work was supported under the Gore-Mubarak partnership, Subcommittee III and the framework was formally adopted by the GOE on December 10, 1997 as the official Egyptian government policy on tourism development along the Red Sea coast.

III. The Solid Waste Action Plan for Hurghada, Safaga, and Quseir: Discussions with the Tourism Development Authority and the World Bank resulted in the agreement that the TDA would use a World Bank funded soft-loan for a private-sector-driven, integrated solid waste management contract for the Red Sea Governorate. A \$4 million tender for implementation of this plan was issued in January 1998.

IV. Environmentally Sustainable Management Practices: A "Best Practices" manual for touristic developments has been completed and used in the design of 3 major new developments in the Sinai and Red Sea regions (Nabq, Wadi el Gamal, and Shagraa).

V. Cultural Resource Management: Work is on schedule and well underway at

the two Red Sea governorate monasteries, St. Anthony's and St. Paul's, to promote tourism at these sites in a manner which is compatible with the dual usage of these sites for religious and touristic purposes. However, due to GOE delays, work permits were not issued by the Supreme Council for Antiquities (SCA) for the planned activities at the Quseir Fort and the Seti I tomb in Luxor until very recently. Activities at Quseir Fort and Seti I are now scheduled for completion in early 1999.

VI. Adaptive Re-Use: A model for urban adaptive reuse in the Gameleya district of Islamic Cairo was created in 1996. This model, in the form of a feasibility plan for the restoration and adaptive re-use of the Ibn Katkuda House, circa 1350 AD, was completed in 1997. The feasibility study and development plan demonstrates that abandoned and deteriorating historical monuments can be transformed and restored into viable enterprises that are economically self-sustaining and provide local economic development. Funds to implement the feasibility plan were made available this year. Work will be completed in early 1999.

## **2. Expected Progress Through FY 2000 and Management Actions:**

As described above, four of six models have been completed and will not be reported on in subsequent R4s for this SpO. Instead, future activities building upon these four natural resource models will be reported under the new Strategic Objective 8.

Work on the remaining two models, cultural resource management and adaptive reuse demonstration, will continue through June 30, 1999. Recent high level GOE interest in improvements for Islamic Cairo bodes well for continued progress in completing the adaptive re-use model and its ultimate replicability. Discussions continue with the GOE on the provision of specific training for SCA staff during the remaining life of this SpO.

EGYPT		Approved: June 1996	
STRATEGIC OBJECTIVE D: Approaches to Sustainable Tourism Demonstrated			
Indicator: Effective models achieved			
Unit of Measure: Cumulative number of natural and cultural site development plans implementated.	Year	Planned	Actual
	1996	0	0
Source: USAID reports	1997	6	4
Comments: Performance data is collected from: Winrock, International; The American Research Center in Egypt (ARCE) and the Egyptian NGO, HEPCA (Hurghada Environmental Protection and Conservation Association).	1998(T)	6	
	1999	6	
	2000		
	2001(T)		
Result No. D.1: Approaches to Natural and Cultural Touristic Asset Management Created			
Indicator: Effective models created			
Unit of Measure: Cumulative number of natural and cultural site development plans designed	1995(B)	0	0
	1996	5	6
Source: Winrock, Int.; ARCE, HEPCA	1997	6	6
Comments:  Design of models was completed in the first year of the SpO. No further designs are planned.	1998	6	
	1999	6	
	2000		
	2001(T)		

## **SpO E: Improved Human Capacity Development System Linked to Strategic Priority Areas**

### **1. Performance Analysis:**

#### **Summary Performance Rating: Met Expectations.**

No training plans were expected to be completed in 1997 under SpO E pending the full mobilization of the training contractor and training systems. Considerable time was required last year for preparatory work to determine the overall number of training needs assessments (TNAs) and training plans to be completed. The universe of potential demand came from SO/SpO objectives linked to over 40 results packages (RPs). Extensive work with partner institutions under most SOs/SpOs took place by the end of 1997, which allowed a final target of 26 TNAs/training plans to be set for the indicator, "strategically linked training plans developed."

The monitoring and evaluation (M&E) system supporting the second indicator was also in place and targets set by the end of 1997 with data collection begun on five evaluation levels: trainee satisfaction; acquisition of knowledge, skills, and/or attitudes (KSAs); trainee's application of KSAs; individual performance improvement results in the workplace; and partner institution performance improvement.

### **2. Expected Progress Through FY 2000 and Management Actions:**

All TNAs/training plans will be completed by the end of 1999. As new RPs are developed under Mission SOs/SpOs over the next two years, it is highly likely that additional TNAs/training plans will be required. Therefore, the final target may increase above 26. Linkages between resources being made available under SpO E through Development Training II are set forth in Annex K of this R4. Beginning in FY 1998, increasing numbers of trainees will have completed in-country and overseas training under SpO E-supported training plans and returned to their employing institutions. As a result, data on the last three evaluation levels of the M&E system (application, individual performance improvement, and institutional performance improvement) will be collected this year allowing target measurement to proceed as planned.

A major constraint confronts future actions. With an end date of September 30, 2001, no further PhD programs are possible after September 1998. Next year, Masters programs will also have to be curtailed. This is already undermining the Mission's ability to finalize training plans under existing TNAs and will inhibit the achievement of SO/SpO results. The Mission therefor requests that SpO E be extended to 2004 to permit long-term academic programs (PhDs/Masters) to proceed as required in TNAs/training plans. Sufficient funds (obligated in FY 1996) already exist under the DT II results package. No additional funds have been or will be requested for SpO E, allowing it to be phased out in compliance with Washington recommendations in 97 Secstate 1133780 once existing funds are drawn down.



EGYPT				Approved: June 1996	
SPECIAL OBJECTIVE E: Improved Human Capacity Development System Linked to Strategic Priority Areas					
Result No. 1: Strategically Linked Training Plans					
Indicator: Strategically linked training plans developed					
Unit of Measure: No. of training plans approved and human capacity indicators linked	Year	Planned	Actual		
	1997(B)	0	0		
Source: RP Training Plan documents.	1998	15			
Comments: The total number of training plans targeted is based on needs currently expressed by the Mission's Strategic and Special Objective (SO/SpO) Teams. The final target number of SO/SpO training plans may increase as new Results Packages are developed.	1999	11			
	2000	TBD			
	2001(T)	26			
Result No. 2: Positive Partner Institution Feedback					
Indicator: Positive feedback on relevance and delivery of training interventions					
Unit of Measure: % of partner institutions providing feedback.					
	1998(B)	85			
Source: PTMS/CEP data.	1999	90			
Comments:  Data collection dependent on sufficient time elapsed between start of training programs/return of trainees to the work setting.	2000	95			
	2001(T)	95			

## ENVIRONMENTAL COMPLIANCE

### 1. 22 CFR 216 Issues:

The Mission does not anticipate any issues related to the implementation of requirements under 22 CFR 216 such as Initial Environmental Examinations (IEEs) and Environmental Assessments (EAs). A threshold determination of environmental impact is made during the results package design process by the Mission Environmental Officer in consultation with the Results Package and Strategic Objective Team Leaders.

### 2. Activities during FY 1998 that require IEEs or EAs:

<u>Results Package Title</u>	<u>Environmental Review Status</u>
<b>NEW ACTIVITIES</b>	
Egyptian Environmental Policy Program	IEE approved
Privatization II	IEE required
Commodity Import Program	IEE required
<b>ACTIVITY/PP AMENDMENTS</b>	
Alexandria Wastewater II	EA approved *
Secondary Cities	EAs approved *
Power Sector Support	IEE approved
Partnership for Economic Reform	IEE approved
Technical Support for the Sector Policy Reform	IEE required
<b>ENVIRONMENTAL ASSESSMENTS IN PROCESS</b>	
None in process	
<b>PLANNED ENVIRONMENTAL ASSESSMENTS</b>	
Egypt Utility Management	FY 99 start

\* Amendments will not require an IEE because all additional activities to be funded have been reviewed in the Environmental Assessments completed previously.

**USAID/Egypt**  
**R4 FY 2000 Summary Table**

Objective Name	Rating	Evaluation Findings
SO 1: Accelerated Private Sector-Led, Export-Oriented Economic Growth	Met Expectations	<p>IMF Staff Consultations December 17, 1997. Report stated that -- The Egyptian economy is continuing to make solid progress reflecting implementation of a broad-based structural adjustment program. Egypt's performance under the current stand-by arrangement remains on track. Egypt exceeded its benchmark for privatization. Egypt is pressing ahead with reform of the income tax system. Excellent progress has been made in the financial sector. Considerable progress has been made in improving the business environment. Implementation of structural reforms continues to be broadly on track in key areas, e.g., divestiture of state-owned-enterprises has been substantial relative to other reforming countries; tariffs were reduced in July 1997; prices of certain energy products were increased to reduce implicit subsidies; most of joint venture banks have been privatized; significant reforms have reached the parliament and are under discussion. -- All of these successes were consistent with USAID policy reform programs.</p>
SO 2: Increased Participation of Girls in Basic Education	Met Expectations	None

SO 3: Increased Citizen Participation in Public Decision Making	Failed to Meet Expectations	Draft Program Review of the Participatory Rural Governance Program (PRGP), February 1998. The Government of Egypt (GOE) has made a substantial and sustained budgetary commitment. Few other expected outcomes have been achieved at this stage. The report identified structural and procedural constraints to reaching the objectives of decentralization and devolution of authority to the local level. Structural changes are needed to ensure that the channeling of GOE resources through the appointed local development body does not erode the power of the locally elected councils. Finally, PRGP objectives for decentralization are too ambitious.
SO 4: Reduced Fertility	Exceeded Expectations	1997 Interim Egypt Demographic and Health Survey (EDHS) showed a positive CPR trend, suggesting the plateau had been overcome
SO 5: Sustainable Improvements in the Health of Women & Children	Exceeded Expectations	1997 Interim EDHS showed steady decline in infant and child death rates.
SO 6: Increased Access to Sustainable Water and Wastewater Service	Met Expectations	None
SO 7: Reduced Generation of Air Pollution	Met Expectations	The 1997 participatory Environmental Sector Assessment showed that greater public awareness of environmental problems is needed, public concern about solid waste disposal is high, and the private sector's role in solving pollution problems is recognized. These are needs being addressed under Cairo Air and the Egypt Environment Policy Program.
SO 8: Natural Resources Managed for Environmental Sustainability	N/A (new)	None
SpO A: Increased Use of Egyptian Universities in quality, Demand-Driven Applied Research	Met Expectations	None

Performance Data Tables - Egypt

SpO B: Increased Use of Information Services by the Legislature in Decision Making	Met Expectations	None
SpO C: Improved Civil Legal System	Met Expectations	None
SpO D: Approaches to Sustainable Tourism Demonstrated	Met Expectations	None
Percent funding through NGOs and PVOs: FY98 4.71%; FY99 5.01%; FY00 5.29%		

### **PART III: STATUS OF THE MANAGEMENT CONTRACT**

The Mission proposes the following changes to the Management Contract:

1. **SO-1:** Accelerated Private Sector-Led, Export Oriented Economic Growth: Extend the life of the SO through FY 2004. Replace the SO-level indicator value of private sector non-petroleum exports with private sector share of non-petroleum exports.
2. **SO-2:** Increased Participation of Girls in Quality Basic Education: Approve two new SO-level indicators: decreased percentage of girls with no education and increased school enrollment of girls in rural Upper Egypt.
3. **SO-3:** Increased Citizen Participation in Public Decision-Making: USAID/W approved indicator for CSO component at SO level and extended the life of the SO to 2004 (97 Secstate 154791).
4. **SO-4:** Reduced Fertility: Extend the strategy period through FY 2004 and increase resources by \$72 million for a total of \$159 million.
5. **SO-5:** Sustainable Improvements in the Health of Women and Children: Extend the strategy period through FY 2004 and increase resources by \$65.5 million for a total of \$242.5 million.
6. **SO-6:** Increased Access to Sustainable Water and Wastewater Service: Increase resources by \$280 million for a total of \$800 million.
7. **SO-7:** Reduced Generation of Air Pollution: USAID/W extended life of SO through 2002, increased the resource level to \$241 million, and approved dropping of one SO level indicator (Secstate 23083).
8. **SO-8:** Natural Resources Managed for Environmental Sustainability: USAID/W approved new SO plan for life of SO through 2002 and resource level of \$54 million.
9. **SpO-A:** Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research: Extend the strategy period to March 31, 2001.

## Acronyms

AOJS	Administration Center for Justice Support
ANE	Asia Near East Bureau
ARENTO	Arab Republic of Egypt National Telecommunication Organization
AWACS	Agency Wide Accounting & Control System
CAIP	Cairo Air Improvement Project
CARE	Community Resource mobilization
CEDPA	Center for Development & Population Activities
CEED	Combating Endemic & Emerging Diseases
CIP	Commodity Import Program
CNG	Compress Natural Gas
CO	Carbon Dioxide
CPR	Contraceptive Prevalence Rate
CSI	Community Services Improvement
CSO	Civil Society Organization
CYP	Couple Years of Protection
DANIDA	Danish International Development Agency
DHS	Demographic & Health Survey
DSS	Decision Support Services
DT2	Development Training II
ECEP	Energy Conservation & Environment Project
EDHS	Egyptian Demographic & Health Survey
EEA	Egyptian Electricity Authority
EEAA	Egyptian Environmental Affairs Agency
EPPP	Egyptian Environment Policy program
ESA	Environmental Sector Assessment
EU	European Union
FGM	Female Genital Mutilation
FP	Family Planning
FSN	Foreign Service National
FY	Fiscal Year
G/PHN	Global Bureau/Population, Health and Nutrition
GDP	Gross Domestic Product
GOE	Government Of Egypt
HBCU	Historically Black Colleges & Universities
HDI	Human Development Index
HIO	Health Insurance Organization
HIV	Human Immuno-Deficiency Virus
HPSP	Health Policy Support Program
ICPD	International Conference on Population & Development
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
IR	Intermediate Result
LE	Egyptian Pounds (Egyptian Currency)
MMR	Maternal Mortality Ratio
MP	Member of Parliament
MOE	Ministry of Education
MOHP	Ministry of Health & Population
MVE	Monitoring, Verification & Evaluation

NCJS	National Center for Judicial Studies
NGO	Non-Governmental Organization
NMS	New Management System
NOPWASD	National Organization for Potable Water & Sanitary Drainage
NOx	Nitrogen Oxide
OE	Operating Expenses
OECD	Organization for Economic Cooperation & Development
OECP	Ministry of Petroleum's Organization for Energy Conservation & Planning
OFE	Orientation, Follow-up & Evaluations
O&M	Operations & Maintenance
PA	People's Assembly
PRGP	Participatory Rural Governance Program
PVO	Private Voluntary Organization
R4	Results Review & Resource Request
RP	Results Package
SA	Shura Assembly
SDF	Social Development Fund
SME	Small & Micro Enterprise
SO	Strategic Objective
SOE	State Owned Enterprise
SOx	Sodium Oxide
SpO	Special Objective
TFR	Total Fertility Rate
TNA	Training Needs Assessment
UNDP	United Nations Development Program
USIS	United States Information System
W/W	Water & Wastewater
WB	World Bank



<p style="text-align: center;"><b>G O A L</b></p> <p style="text-align: center;"><b>Broad-based Sustainable Development</b></p> <p style="text-align: center;"><b>With Increased Employment and Improved Quality of Life</b></p>
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## SUBGOAL 1

Accelerated Economic Growth

## SUBGOAL 2

Human Capacity Built Through Education

## SUBGOAL 3

Improved Environment for the Growth of Democracy

## SUBGOAL 4

Reduced Population Growth and Improved Health

## SUBGOAL 5

Environment Managed for Long-Term Sustainability

## Strategic Objective 1

Accelerated Private Sector-Led,  
Export-Oriented Economic  
Growth

## Strategic Objective 2

Increased Participation  
of Girls in Quality Basic  
Education

## Strategic Objective 3

Increased Citizen  
Participation in Public Decision  
Making

## Strategic Objective 4

Reduced Fertility

## Strategic Objective 6

Increased Access to  
Sustainable Water and  
Wastewater Service*Special Objective A*Increased Use of Egyptian  
Universities in Quality, Demand-  
Driven Applied Research*Special Objective B*Increased Use of Information  
Services by the Legislature  
in Decision Making

## Strategic Objective 5

Sustainable Improvements  
in the Health of  
Women & Children

## Strategic Objective 7

Reduced Generation of  
Air Pollution*Special Objective C*Improved Civil Legal  
System

## Strategic Objective 8

Natural Resources Managed  
for environmental Sustainability*Special Objective E*Improved Human Capacity Development  
System Linked to Strategic Priority Areas*Special Objective D*Approaches to Sustainable  
Tourism Demonstrated

## Egypt: Selected Economic Indicators, 1990-96

	1990	1991	1992	1993	1994	1995	1996	1997
<b>NATIONAL INCOME</b>								
Real GDP Growth rate (% change)	2.4	2.1	0.3	0.5	2.9	3.2	4.2	5.3
<b>US Loans and Grants (US \$ Million)</b>								
*Loans	192.9	160.1	40.4	-	-	-	-	
*Grants	2196.4	2194.7	2055.1	2194.7	2162.0	2052.0	2439.0	2115.0
<b>INVESTMENT &amp; SAVINGS</b>								
Gross Investment / GDP (%)	21.9	20.4	18	17	17.5	16.9	16.9	18.1
Gross National Savings / GDP (%)	16.2	20.1	25.6	17.5	16.3	15	16.6	19.0
Gross Domestic Savings / GDP (%)	5	7	9	6	4	5	10.8	12.8
<b>PRICES &amp; EMPLOYMENT</b>								
Inflation Rate	17.5	22.4	19.4	12	9	9.4	7.2	6.2
Labor Force (million)			15.14	15.57	16.01	16.45	16.93	17.38
Employment (millions)			13.74	14.01	14.44	14.88	15.34	15.8
Unemployment Rate (%)	7.6	8.4	9.2	10.1	9.8	9.6	9.4	8.8
<b>Change in Productivity (1)</b>								
(% Change in output per worker)								
*Public sector				-0.12	2.39	0.15	-0.51	-6.8
*Private sector				1.04	0.14	2.56	3.11	7.2
<b>EXCHANGE RATE (Egyp. Pound/US\$)</b>								
Market Rate (end of period average)	2.76	3.34	3.32	3.33	3.38	3.39	3.39	3.4
<b>MONEY</b>								
Money Supply (M-2) Growth (%)	19.7	27.5	14.3	16.5	12.4	11.1	10.5	10.1
<b>BALANCE OF PAYMENTS (US \$ bil.)</b>								
Current Account balance (excl. offic. transfers):								
*Billion US \$		-3.2	2.3	0.3	-0.6	0.7	-0.9	-0.3
*As % of GDP	-11.4	-9.3	6.5	0.7	-1.4	-0.97	-1.47	-0.4
Exports FOB	3.2	3.9	3.6	3.4	3.3	5.0	4.6	4.9
Imports CIF (2)	11.4	11.4	10.1	10.7	10.6	11.9	14.1	14.7
Net Service	0.9	0.6	3.3	2.6	3.5	4.3	5.8	6.2
Workers Remittances	3.7	3.8	5.5	5.0	3.2	3.3	2.8	3.2
Official tranfers	1.1	4.9	1.4	1.9	0.8	0.9	0.7	0.9
Capital Account Balance	-1.2	-1	0.3	0.8	2.1	-0.4	0.8	2.0
Errors and Omissions	2.6	1.4	1.9	1.1	-0.6	-0.4	-0.1	-0.7
Overall balance	-1.2	2	5.9	4.0	1.7	0.8	0.6	1.9
<b>DEBT</b>								
Gross external Debt ( US\$ bil.)	46.1	35.5	31.1	31.0	30.9	33.0	31.1	28.6
Debt service Ratio								
(% of current receipts after rescheduling)		17.6	14.0	13.6	12.1	10.3	10.5	8.8
<b>PUBLIC FINANCE ( % of GDP)</b>								
General Gov. Expenditure	40.5	46.1	39.8	33.2	32.5	29.1	28.4	26.6
Revenues	24.7	28.9	34.9	29.7	30.4	27.8	27	25.9
(Excluding EGPC & SCA)		22.3	25.2	21.4	22.8	21.3	21.3	20.6
Overall deficit (excluding grants)	-15.8	-17.2	-5.0	-3.5	-2.1	-1.3	-1.3	-0.8
Grant Finance	12.4	15.4	-1.4	-1.2	-0.9			
Domestic Financing (bank & nonbank)	9.8	5.7	3.6	3.3	1.8	1.4	1.9	1.2
Foreign Financing (including Grants)	2.6	13.9	1.5	0.2	0.3	-0.1	-0.6	-0.6
<b>SOCIAL INDICATORS</b>								
Population (million)	52.9	54.4	55.9	56.4	57.7	58.98	60.23	61.4
Population Growth (%) (3)	2.4	2.3	2.2	2.3	2.2	2.2	2.1	2.0
Infant Mortality (per 000 live births)	62	59	57	64	52	56		
Literacy rate (%)	48	48	-	-	51			

## Sources:

The International Monetary Fund (Article IV Consultation and Recent Economic Developments) 1995 and 1996

The International Monetary Fund (First and second reviews, March 1997 and June 1997)

World Bank (Country Economic Memorandum and Claiming the Future) 1995

The Central Bank of Egypt's Annual Report 1995/96

(1) Calculated by USAID/SP using Ministry of Planning data.

- (2) According to the Central Bank data, imports in 1995 amounted to \$12.8 billion.
- (3) GOE CAPMAS figure for 1997 is 2.1%.

**Annex D**

**USAID/EGYPT  
Mission Policy Reform Agenda**

**GOAL:**

**Broad-Based Sustainable Development  
With Increased Employment and Improved Quality of Life**

**Subgoal 1: Accelerated Economic Growth**

**SO 1: Accelerated Private Sector-Led, Export-Oriented Economic Growth**

**I.R. 1.1: Improved Economic Policy Environment**

**Liberalize trade to promote Egyptian exports, create jobs and dynamic efficiency:**

- create a tariff structure that is conducive to efficient investment and growth.
- reduce burden of complicated customs regulations and procedures.
- reduce controls and administrative cost to exporters.
- reduce non-tariff barriers and controls to importers.
- de-monopolize shipping agencies, port and airport services.

**Ensure a stable fiscal setting which encourages private sector led growth and broad based opportunities:**

- minimize the fiscal deficit, if not run a surplus.
- improve the efficiency, elasticity and business-friendliness of the tax system.
- improve the cost effectiveness of government investment incentives.
- reallocate government budget toward more efficient investment and more equitable social expenditures.
- recover costs in public utilities and services.

**Strengthen and improve the availability, timeliness and accuracy of economic data:**

- improve national income accounts.
- encourage the dissemination of information on economic reform experiences of other countries.

**Encourage savings and efficient channeling of financial resources to the private sector:**

- increase competition in the financial markets.
- improve the overall prudent management of monetary policy and the banking system.
- ensure financial system solvency while facilitating privatization.
- encourage reform of the pension system

### **I.R. 1.2: Increased Agricultural Sector Productivity**

#### **Liberalize prices, markets and trade.**

- complete liberalization of prices and marketing system for cotton, rice, and fertilizer.
- complete the removal of restrictions on cropping patterns.
- establish a system for regulating non-competitive behavior in production and marketing.
- introduce private sector competition in cotton and textile markets.

#### **Expand private investment.**

- liberalize and privatize cotton spinning companies, fertilizer companies, rice mills, flour mills, seed processing plants, and feed mills.
- continue phasing out PBDAC (Principle Bank for Development and Agricultural Credit) distribution of fertilizer and other agricultural inputs.
- restructure PBDAC into a commercially viable bank..
- create a legal framework for independent, commercial cooperatives.
- sell MOA's land to the private sector.

#### **Increase the efficiency of public investment and improve the sustainability of agriculture.**

- revise master plans for land and water
- improve marketing, on-farm irrigation technology, and credit system.
- improve the efficiency of allocation of irrigation water.
- address the problems of water quality, soil waterlogging and salinity.
- reduce subsidies to state enterprises.

#### **Maintain national food security.**

- establish a safety net program for the poorest urban and rural households.
- develop a national farm tax policy.
- develop a plan for targeting food subsidies
- establish food security interventions to cushion consumers from world market price under market liberalization..

### **I.R. 1.3: Increased Exports in Targeted Sectors**

#### **Strengthen private market institutions.**

- encourage private industry representational, service, and developmental organizations.
- encourage technology, quality assurances, productivity and trade development organizations.
- enhance participation of small and micro enterprises in the formal economy.

#### **Increase private participation in economic decision making.**

- encourage private sector efforts at globalization of the Egyptian economy.
- encourage private sector participation in the policy dialogue process.
- encourage private sector participation and improvements in research, development and

- extension
- establish public and encourage private market information systems.

### **Remove Policy Impediments on Exporters**

- improve legal and regulatory environment to enhance efficiency and contestability.
- remove trade barriers on imports, particularly inputs to export goods.
- remove unnecessary restrictions to free trade in agricultural products, raw materials and inputs; e.g., phytosanitary and other quality controls on imports.

## **I.R. 1.4: Accelerated Privatization and Strengthened Financial Markets**

### **Promote a competitive private market economy:**

- decrease the size of the state owned enterprise sector by divesting/liquidating existing public enterprises.
- facilitate the investment and operations of profit and non-profit enterprises.

### **Support privatization:**

- encourage the transfer of state owned enterprises and properties to private ownership and control.
- encourage private provision of public service.

### **Strengthen financial market institutions**

- develop capital markets to facilitate productive private investment.
- develop regulators of the capital markets such as the Capital Markets Authority.
- establish viable credit delivery systems for small and micro-enterprises.
- develop private market instruments and institutions.

## **I.R. 1.5: Increased Access to Reliable Power and Telecom Services**

### **Encourage the Egyptian Electricity Authority's transformation into an autonomous, commercially self-sufficient, and efficient utility:**

- place EEA's financial operations on a commercial basis and achieve financial viability.
- strengthen accounting systems and procedures to produce accurate and timely information for financial tracking and planning.
- modify EEA's charter to permit it to operate on a commercial and autonomous basis.
- establish an independent utility regulatory framework for electric utilities.
- develop EEA's business plan which establishes the Authority's overall goals, lays out annual objectives for operation and performance, and specifies needed actions.
- develop human resources and allocate them to support efficient operations.

**Accelerate and enhance the evolution of Egypt Telecom into a more autonomous and efficient telecommunications utility:**

- develop an acceptable National Telecommunications Policy.
- separate regulator and regulatee functions.
- enhance Egypt Telecom's autonomy
- establish a strategic plan for Egypt Telecom which identifies key financial, organizational, employment management, service, and technical goal/objectives.
- reform personnel policies and strengthen key departments in Egypt Telecom relating to marketing/customer services, financial management, planning, and human resources
- develop a rolling 5 year business plan consistent with the National Telecommunications Policy and the Strategic Plan.
- improve system expansion planning to achieve maximum efficiency in operations.
- computerize Egypt Telecom planning, operation, accounting and customer service.
- strengthen Egypt Telecom's financial performance, including clarifying financial liabilities.

**Subgoal 2: Human Capacity Built Through Education**

**SO 2: Increased Participation of Girls in Basic Education**

**Promote basic education and literacy, improve the quality and relevance of the educational system, reform teaching practices, change attitudes towards female education and increase girls' participation, enrollment, persistence and completion.**

- reallocate budget expenditures towards primary education.
- reform the personnel incentive system for the public schools.
- develop the application of research and data to analysis, planning, and policy formulation.

**Subgoal 3: Improved Environment for the Growth of Democracy**

**SO 3: Increased Citizen Participation in Public Decision Making**

- reduce organizational, systematic and regulatory barriers and constraints to strengthened popular participation.
- introduce elements of decentralization which promote local participation and empowerment in local decisions.
- reduce constraints on non-governmental organizations as embodied in Law 32.

### **SpO C: Improved Civil Legal System**

- increase incentives in the judicial sector to maintain the integrity and efficiency of members.

### **Subgoal 4: Reduced Population Growth and Improved Health**

#### **SO 4: Reduced Fertility**

##### **Increase the level and effectiveness of the use of modern contraceptive methods among married couples**

- remove subsidies and price controls on contraceptive commodities in the private sector and encourage differential pricing in the public sector.
- remove duties and other import restrictions on imported contraceptives and medical devices.
- support the introduction and expansion of long-term clinical methods.
- increase emphasis on family planning in the regular curricula in medical and nursing schools.
- support the transition to performance-based payment systems in provider organizations which generate revenue.
- promote integrated reproductive health care with joint family planning and other maternal health services.

#### **SO 5: Improved Maternal and Child Health**

##### **Assure the sustainability of key maternal and child health and family planning programs and investments. Areas for health sector policy reforms include:**

- Achieve greater efficiency, effectiveness and equity in the provision and financing of quality health care, especially in the area of maternal and child health, and of family planning.
- Rationalize the role of the Ministry of Health and Population (MOHP) in providing and financing curative care.
- Strengthen the role of the MOHP in the provision of and increased share of financing Preventive Medicine and Primary Health Care.
- Reform the MOHP Personnel Policy.
- Develop the MOHP role in regulation and accreditation, and its capacity for national health strategic planning, policy analysis and management.
- Ensure the viability of the Health Insurance Organization.
- Expand social health insurance coverage coupled with adequate administrative and financing mechanisms.



## **Subgoal 5: Environment Managed for Long-Term Sustainability**

### **SO 6: Increased Access to and Sustainability of Water and Wastewater Services**

**Transform water and wastewater utilities into an autonomous, financially viable, and efficient organizations.**

- establish a regulatory/legal framework which allows the utility to operate on a commercial basis.
- reform tariffs to promote financial viability and achieve economic pricing.
- strengthen accounting systems and procedures to produce accurate and timely information for financial tracking and planning.
- develop human resources and allocate them to support efficient operations.

### **SO 7: Reduced Generation of Air Pollution**

**Reduce emissions of lead and particulate pollution to the environment**

- follow up on initial regulations and upgrade as appropriate.
- encourage appropriate industrial safety standards.
- certify industrial operations of major energy using equipment.

**Encourage environmental regulation based on consideration of economic costs and benefits.**

**Encourage industrial and commercial self-regulation to reduce pollution and environmental degradation.**

**Encourage efficient energy use**

- adopt energy efficiency standards.
- incorporate appropriate energy consumption standards into the designs of new industrial facilities .

### **SpO D: Approaches to Sustainable Tourism Demonstrated**

- adopt a time-phased, detailed strategy, policies, and enforcement measures to create an enabling environment for sustainable tourism development in the Red Sea Coast and Islands region, addressing such issues as public access to beaches, land use management, site development standards, an integrated approach to marine pollution control, a sub-regional approach to solid waste management, and locational and construction standards for marine structures.

## Annex E.1

# SPR II POLICY MATRIX

SPR II Goal: To achieve rapid, sustainable economic growth which benefits the great majority of the people, by promoting the transition to an outward oriented, competitive, private market economy.

OBJECTIVES	POLICY MEASURES	
	First Year	Second Year



<p>C. Activate the capital market to promote productive private investment.</p> <p>D. Ensure a stable fiscal setting.</p> <p><b>II. <u>TRADE LIBERALIZATION:</u></b></p> <p><i>SUBGOAL:</i> <i>Liberalize trade in order to promote Egyptian exports, create jobs, and encourage dynamic efficiency.</i></p> <p>A. Create a tariff structure that is conducive to efficient investment and export growth.</p>	<p>C.1. The Capital Market Authority (CMA) will enforce the adherence to international principles of accounting, auditing practices and disclosure for listed firms at the CMA.</p> <p>C.2. Based on the 1993/94 financial instruments study, the GOE shall review its capital market law and regulations, and abolish legislative and regulatory constraints to: a) the active trading of securities in the stock exchange, b) the introduction of new financial instruments and c) freedom of brokers to set commissions.</p> <p>A.1 The maximum tariff rate shall be reduced to at most 60%, with tariff brackets between 60% and 30% reduced by 10 percentage points; no more than 2% will be imposed on imports as a service charge or other fee.</p>	<p>C.1. The GOE will ensure that a Permanent Committee is operative and has prepared a set of accounting and auditing principles which are based on the International Accounting and Auditing Standards and the CMA has published and begun enforcement of these principles.</p> <p>C.2. The GOE will issue a decree which establishes an investor protection fund.</p> <p>D.1. The GOE will expand the coverage of the general sales tax to the retail level with crediting of taxes on inputs.</p> <p>D.2. The GOE will improve the global personal income tax by broadening its base, limiting special deductions, and strengthening compliance incentives by improving the system of penalties, delay fines, and auditing.</p> <p>A.1. The maximum tariff rate shall be reduced to at most 50%, with tariff bracket between 50% and 30% reduced by 10 percentage points. All service charges will be eliminated. The GOE will not impose any additional duties or charges.</p>
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<p>B. Reduce burden of complicated customs regulations and procedures for exporters.</p>	<p>B.1. The GOE will review, reduce, and publish a complete short list of regulations and procedures to be followed by exporters and importers. In the case of exports:</p> <ul style="list-style-type: none"> <li>* Stamp taxes will be eliminated and fees not based on cost of services will be appropriately reduced;</li> <li>* Inspections (except those required for security) will be optional at the request of the exporter.</li> <li>* Customs will provide services 24 hours per day in major ports.</li> </ul> <p>B.2. The GOE will establish and make operational "one stop shops" in major ports where remaining approvals needed for export activities can be processed.</p>	<p>B.1. The GOE will eliminate licensing requirements for exports, and will not impose any new fees, approvals, or required inspections for exports.</p> <p>B.2. The "one stop shops" for both exports and imports will be effectively and efficiently operating. Documentation requirements will only be for statistical purposes.</p>
<p>C. Reduce administrative cost to exporters.</p>	<p>C. The GOE will only require exporters using Temporary Admission System (TAS) to present a written pledge of the establishments assets (or cash credit, bank guarantee, or insurance certificate) for duties and taxes in case of failure to export. Sanctions for not honoring the pledge will be fines for technical violations and loss of TAS rights in case of major abuse.</p>	<p>C. The GOE will develop and implement a "fixed drawback" system and a system for tax rebates to indirect exporters.</p>
<p>D. Reduce non-tariff barriers to imports.</p>	<p>D.2. The GOE will establish a commission made up of government officials, private business representatives and qualified scientists to conduct a comprehensive review of health, safety, and quality standards, procedures and applications to assure that only essential health, safety, and quality requirements are being applied.</p>	<p>D. The GOE will implement results of the review to eliminate all but essential health, quality, and safety requirements and to assure appropriate application.</p>

<p>E. De-monopolize shipping agencies and port services.</p> <p><b><u>III. TRANSITION TO MARKET ECONOMY:</u></b></p> <p><i>SUBGOAL:</i> <i>Promote a competitive private market economy.</i></p> <p>A. Decrease the size of the state owned enterprise sector by divesting/liquidating existing public enterprises.</p> <p>B. Facilitate the investment and operations of for profit and non-profit enterprises.</p>	<p>E. The GOE will sponsor a study to determine the actions necessary to ensure greater competition in maritime transportation, including service activities.</p> <p>A. The GOE will transfer majority ownership and control to the private sector or liquidate at least 15 public enterprises whose total 1991 book value exceeds LE 2.7 billion.</p> <p>B.1. The GOE will submit draft legislation to the People's Assembly which will consolidate Laws 159, 230, and 203 and other legislation into a unified business regime which separates listing from incorporation, ends non economic distinctions, encourages foreign investment, simplifies the registration process, and specifies how existing companies will relate to the new regime.</p>	<p>E. The GOE will adopt and begin implementation of an action plan to break up monopolies in maritime transportation, including service activities.</p> <p>A. The GOE will transfer majority ownership and control to the private sector or liquidate an additional 30 public enterprises whose total 1991 book value of the value exceeds LE 5.4 billion.</p> <p>B.1. The GOE will implement the new unified business regime.</p> <p>B.2. The GOE will present to the parliament the legislation needed to eliminate requirements that firms be members of associations, chambers, federations or similar organizations and register with the Lawyer's Syndicate; eliminate investment licensing at the governorate level; and, simplify and limit local level establishment and operation (E&amp;O) licensing.</p>
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<p>C. Improve the cost-effectiveness of investment incentives.</p> <p>D. Introduce private sector competition in cotton and textile markets.</p>	<p>B.3. In light of the Uruguay Round agreements within the frame work of the GATT of 1994, the GOE will adopt a time phased action plan to implement selected recommendations of the study on streamlining and modernizing the structure and procedures of intellectual property rights protection.</p> <p>D. The GOE will adopt and implement its plan for the liberalization/privatization of the textile sector.</p>	<p>B.3. The GOE will implement its action plan on intellectual property rights protection.</p> <p>C. The GOE will make its investment incentives more cost effective.</p> <p>D. The GOE will continue implementation of its plan for the liberalization/privatization of the textile sector.</p>
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<p><b><u>IV. PROTECTION OF THE ENVIRONMENT:</u></b></p> <p><i>SUBGOAL:</i> <i>Enhance protection of Egypt's environment.</i></p> <p>A. Encourage environmental regulations, based on considerations of economic costs and benefits.</p> <p>B. Reduce emissions of lead to the environment.</p>	<p>A.1. The GOE will issue executive regulations for the air pollution sections (particularly those related to vehicle emissions) of Law 4/1994 which are practical, realistic, and have a positive environmental impact without unduly burdening the economy.</p> <p>B.1. The GOE will prepare a Lead Pollution Reduction Action Plan for smelters.</p>	<p>A.1. The GOE will have systems in place to enforce the decrees/regulations related to vehicle emissions.</p> <p>B.1. The GOE shall adopt a comprehensive lead pollution reduction plan covering the major sources of lead emissions based on analysis of the different lead emissions in the environment and their relative contributions to blood lead levels, as well as the costs of alternative remedial measures and begin implementation of that plan.</p>
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## **Annex E.2**

### **SECTOR POLICY REFORM (SPR) III PROGRAM**

**SPR III Goal:** To accelerate private sector led, export-oriented economic growth which contributes to broad based sustainable development with improved quality of life and increased employment.

OBJECTIVES	POLICY MEASURES	
	First Year	Second Year
<b><u>I. INCREASE PRIVATE SECTOR EXPORTS</u></b>  A. Rationalize the tariff structure to encourage an internationally competitive economy.  B. Streamline procedures/eliminate barriers to facilitate international trade.	<p>A. The GOE shall take actions to lower and level effective rates of protection across subsectors of the economy.</p> <p>B.1. The GOE shall remove legal/regulatory restrictions on the entry and operation of foreign owned trading companies and import and export service companies, taking into consideration Egypt's obligations under the General Agreement of Trade in services.</p> <p>B.3. The GOE shall adopt and begin implementation of a plan to streamline the administration of customs services.</p>	<p>A. The GOE shall continue to lower and level effective rates of protection, including reducing the maximum tariff rate to at most 40%, with tariff rates previously between 50% and 30% reduced by 10 percentage points or to 30%.</p> <p>B.2. The GOE shall implement the key components of its quality control reform plan to assure that only essential health, safety, and quality requirements are being applied.</p> <p>B.3. The GOE shall implement the key elements of its plan to streamline the administration of customs services.</p>

OBJECTIVES	POLICY MEASURES	
	First Year	Second Year
<p><b><u>I. INCREASE PRIVATE SECTOR EXPORTS (Cont'd)</u></b></p> <p>C. Improve the efficiency of the transportation system, and hence increase export competitiveness.</p>	<p>C.1. The GOE shall begin to take actions to reduce the costs of Egyptian air freight by, for example, ending Egypt Air's route monopoly, eliminating barriers to private entry into air cargo, or permitting chartered aircraft to transport Egyptian goods without paying fees to Egypt Air.</p>	<p>C.1. The GOE shall continue its actions to reduce the cost of Egyptian air freight.</p> <p>C.2 The GOE shall continue the actions required to break up monopolies and ensure greater competition in maritime transportation, including service activities.</p>
<p><b><u>II. INCREASE PRODUCTIVITY OF PRIVATE ENTERPRISE</u></b></p> <p>A. Increase competition in the financial sector to lower costs and improve services.</p>	<p>A.1. The GOE will evaluate for transfer to the private sector at least one major public sector bank.</p>	<p>A.1. The GOE will transfer majority ownership of at least one public sector bank to the private sector.</p> <p>A.2. The GOE shall reduce its share in at least one state insurance company to achieve private sector majority ownership.</p> <p>A.3. The GOE shall remove restrictions on foreign majority ownership of direct insurance companies.</p> <p>A.4. The GOE shall review and modernize elements of the commercial and civil codes, at a minimum to provide a modern system for securitizing property.</p>

OBJECTIVES	POLICY MEASURES	
	First Year	Second Year
<b><u>II. INCREASE PRODUCTIVITY OF PRIVATE ENTERPRISE (Cont'd)</u></b>  B. Improve financial sector regulation to improve investor confidence.  C. Enhance the role of the private sector in the provision of financial services.	B. The GOE shall issue prudential standards for at least three areas of securities financial services such as brokerage, portfolio management, and bookkeepers as transfer agents or endorse relevant industry developed and managed standards for these areas.  C. Based on a comprehensive review of the structure, operations, solvency, and investments of the social insurance system, the GOE shall adopt and begin implementation of a time phased action plan aimed at investing more funds in the private sector, improving actuarial soundness, and attaining better returns on capital.	B. The GOE shall issue prudential standards for at least four other areas of securities financial services, or endorse relevant industry developed and managed standards for these additional areas.  C. The GOE shall continue to implement its plan to reform the social insurance system.
<b><u>III. ENHANCE COMPETITIVE MARKETS</u></b>  A. Decrease the size of the state owned enterprise sector to encourage growth of the private sector.	A.2. The GOE shall ensure that uses of sales proceeds from privatization are limited, with only minor exceptions, to: debt retirement/financial restructuring of public enterprises to be privatized; employee compensation relating to downsizing/liquidation; costs of selling public enterprises; and reduction of domestic public debt.	A.1. The GOE shall liquidate or transfer majority ownership and control to the private sector at least 25 public enterprises whose total 1991 book value exceeds LE 4.5 billion.  A.2. The GOE shall continue to ensure that uses of privatization proceeds are limited, with only minor exceptions, to: debt retirement/financial restructuring of public enterprises to be privatized; employee compensation relating to downsizing/liquidation; costs of selling public enterprises; and reduction of domestic public debt.

OBJECTIVES	POLICY MEASURES	
	First Year	Second Year
<p><b>III. <u>ENHANCE COMPETITIVE MARKETS</u></b> <b>(Cont'd)</b></p> <p>B. Facilitate the establishment and operations of efficient for-profit and non-profit enterprises</p> <p>C. Improve the: 1) coverage, periodicity, and timeliness; 2) access by the public; 3) integrity; and 4) quality of economic data for decision making</p>	<p>B.1. The GOE shall unify or formally coordinate the functions of the Patent, Trademark, and Industrial Design Offices, and take the steps necessary to ensure the retention of revenues for financing improvements.</p> <p>B.3. The GOE shall revise Law 32 of 1964 and executive regulations to allow greater freedom to organizations under its domain.</p> <p>B.4. The GOE shall initiate streamlining and modernizing the commercial register to allow enterprises to easily and quickly register and obtain extracts under multiple indexes from throughout the country.</p> <p>C. The GOE shall adopt a time phased plan to comply with the special IMF data dissemination standards and shall begin to release to the public on a timely and regular basis available key economic data according to an announced schedule.</p>	<p>B.4. The GOE shall have streamlined and modernized the commercial register to allow enterprises to easily and quickly register and obtain extracts under multiple indexes from throughout the country.</p> <p>C. The GOE shall largely comply with the special IMF data dissemination standards.</p>

OBJECTIVES	POLICY MEASURES	
	First Year	Second Year
<b>III. <u>ENHANCE COMPETITIVE MARKETS</u></b> <b>(Cont'd)</b>		
D. Ensure a stable fiscal setting for private sector growth	D. The GOE shall limit the overall preliminary actual budget deficit for FY 1996/97 to LE 3.5 billion.	D. The GOE shall limit the overall preliminary actual budget deficit for FY 1997/98 to LE 3.8 billion.
E. Reform the tax system to promote private sector growth	E. The GOE shall implement administrative reforms of the corporate income tax, such as: improving the effectiveness of the appeal process, and developing more selective and focused audit procedures.	E. The GOE shall implement corporate income tax reforms, such as: replacing the additions/discounts system with a system of estimated payments; rationalizing the tax treatment of specific reserves/provisions; strengthening compliance incentives; lowering marginal tax rates; and improving the treatment of depreciation.
F. Rationalize budgeting to enhance sustainability, efficiency and growth	F. The GOE shall adopt a time phased plan to reform and make more transparent financial flows between the government and both public service authorities, and quasi-government organizations (such as Egyptian Electricity Authority (EEA) and the Health Insurance Organization).	F. The GOE shall implement the first year of its plan to reform fiscal flows.

OBJECTIVES	POLICY MEASURES	
	First Year	Second Year
<p><b><u>IV: ENHANCE PROTECTION OF EGYPT'S ENVIRONMENT</u></b></p> <p>A. Encourage transparent, sound environmental regulations, based on considerations of economic costs and benefits, and applicable equally to the public and private sectors.</p>	<p>A.1. For stationary sources of air emissions, the GOE shall specify the methods, roles and responsibilities for testing and enforcing compliance with air emission regulations.</p> <p>A.2 The GOE shall develop an inventory of major stationary sources of air pollutants, especially particulates and hydrocarbons, both public and private; notify these sources of the requirement to reduce emissions; and publicize this requirement.</p> <p>A.4. The GOE shall finalize for ministerial signature adjusted executive regulations for Law 4 of 1994 that require lower emission standards for new vehicles, based on the use of modern technologies such as catalytic convertors and evaporative control systems, applying equally to imported vehicles and to those assembled in Egypt, and resulting from consultations with the petroleum industry, the auto industry and other interested parties. (Taking into account that the Executive Regulations should set standards not technologies.)</p>	<p>A.1. The GOE shall enforce Law 4 for 1994 and its executive regulations, equally for the public and private sectors, in order to reduce emissions of particulate and other air pollutants from stationary sources.</p> <p>A.2 The GOE shall adopt a strategy to reduce pollutants, especially particulates and hydrocarbons, from stationary sources, both public and private, based on consideration of the economic benefits and costs of reductions.</p> <p>A.3. The GOE shall implement systems for enforcing the decrees/regulations of Law 4 of 1994 related to vehicle emissions, applicable equally to the public and private sectors.</p> <p>A.4. The GOE shall issue these regulations with a timetable for enforcement that applies equally to the public and private sectors. (Taking into account that the Executive Regulations should set standards not technologies.)</p>

OBJECTIVES	POLICY MEASURES	
	First Year	Second Year
<b><u>IV: ENHANCE PROTECTION OF EGYPT'S ENVIRONMENT (Cont'd)</u></b>  B. Through market-based pricing policies, encourage efficient fuel selection, promote energy conservation and reduce air emissions.  C. Reduce exposure to lead in the environment  D. Encourage sustainable tourism development while protecting the ecological environment.	B. The GOE shall continue its plan for phasing out leaded gasoline and reducing consumption of high polluting fuels by expanding refining capabilities for unleaded gasoline and reducing the differential for other petroleum products between local and international prices.  C. The GOE shall implement its action plan to reduce lead emissions from lead smelters, both public and private, including clear commitments on acceptable locations and lead emission standards consistent with Law 4 of 1994.  D. The GOE shall adopt a time-phased, detailed strategy, policies, and enforcement measures to create an enabling environment for sustainable tourism development in the Red Sea Coast and Islands region, addressing such issues as public access to beaches, land use management, site development standards, an integrated approach to marine pollution control, a sub-regional approach to solid waste management, and locational and construction standards for marine structures.	B. The GOE shall continue implementation of its plan.  C. The GOE shall continue to implement its action plan to reduce lead emissions from lead smelters, both public and private, expanding the overall effort to address other public and private sources of lead based on the Lead Exposure Abatement Plan.  D. The GOE with the participation of sub-national governments and the private sector shall implement the strategy, policies and enforcement measures, including putting in place a system to monitor compliance.

## THE PROVISIONAL POLICY MATRIX FOR THE HEALTH POLICY SUPPORT PROGRAM (HPSP)

A COLLABORATION BETWEEN  
THE MINISTRY OF HEALTH AND POPULATION (MOHP)  
AND THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

NATIONAL HEALTH SECTOR POLICY REFORMS	SUGGESTED NATIONAL HEALTH SECTOR REFORM STRATEGIES	EXPECTED END OF PROGRAM STATUS (EOPS) *
1.0 Strengthen the role of the MOHP in providing and financing Preventive Medicine (PM) & Primary Health Care (PHC)	1.1 Increase funding of PM and PHC programs	<ul style="list-style-type: none"> <li>Percent of MOHP funding allocated for identifiable PM and PHC services increased by at least 10% per year using GOE FY 95/96 as the baseline. In addition, MOHP is meeting mutually agreed upon annual budgeting targets for priority actions such as the procurement of vaccines and contraceptives</li> <li>PM and PHC service providers are motivated to serve in underserved and remote areas through different incentive mechanisms.</li> <li>A system targeting vulnerable groups is implemented</li> <li>An efficient district-based PHC system implemented</li> </ul>
	1.2 Use cost effectiveness analysis to identify a package of PM & PHC services to be supported by MOHP	
	1.3 Provide incentives for health care providers to specialize in PM, PHC and Family Medicine and to serve in underserved and remote areas	
	1.4 Establish a sound district-based PHC service delivery system	
2.0 Rationalize the role of the MOHP in providing and financing curative care	2.1 Stop the construction of unnecessary hospitals and set strict guidelines to the completion of facilities under construction	<ul style="list-style-type: none"> <li>New MOHP hospitals or surgicenters are constructed only where there is lack of curative services based on strict guidelines and criteria</li> <li>CCO's newly developed hospital management information system, in the Cairo CCO headquarters and the three pilot hospitals, installed and operational in three additional CCO hospitals in Cairo and one in Alexandria</li> <li>Number of MOHP hospitals operating under a developed economic section increased to 100 hospitals</li> </ul>
	2.2 Expand a modified economic/cost recovery model in government facilities	
	2.3 Increase efficiency and effectiveness in MOHP hospitals	

\* The EOPS will be reviewed annually by the MOHP and USAID.



NATIONAL HEALTH SECTOR POLICY REFORMS	SUGGESTED NATIONAL HEALTH SECTOR REFORM STRATEGIES	EXPECTED END OF PROGRAM STATUS (EOPS) *
3.0 Reform the MOHP Personnel policy	3.1 Rationalize MOHP employment	<ul style="list-style-type: none"> <li>• A performance based system for payment of physicians is established and implemented</li> <li>• A clear staffing pattern and standards for all MOHP health facilities established and implemented nationwide</li> <li>• A health management institute is established where training of MOHP service providers is implemented</li> </ul>
	3.2 Develop guidelines for MOHP personnel needed and apply these to redistribute the personnel	
	3.3 Develop MOHP human resources in clinical and management training (particularly general practitioners and nurses, and in rural areas)	
4.0 Develop the MOHP role in regulation and accreditation; and its capacity for national health strategic planning, policy analysis and management	4.1 Develop and adopt National Health Standards of Practice and health facility accreditation	<ul style="list-style-type: none"> <li>• An increase in Bab II (operating expenses) of the MOHP budget by 10% yearly is achieved</li> <li>• Systems established and implemented for accreditation of all levels and types of private and public health service facilities, for the national standards of practice and protocols of health services, and for certification of physicians</li> <li>• A comprehensive national HIS/GIS established and operational at the MOHP headquarters that supports an operational unit for economic studies and policy analysis</li> <li>• Efficiency and effectiveness indicators in the MOHP facilities improved</li> </ul>
	4.2 Establish a policy of continued physician certification and Continuous Medical Education (CME)	
	4.3 Adapt the national Health Information Systems (HIS) including the Geographic Information System (GIS) for planning and policy decision making	
	4.4 Develop a nuclear unit for economic and policy analysis	
	4.5 Develop a Quality Management Unit to improve the quality of care in the MOHP and assure the quality of care in both public and private sectors	

NATIONAL HEALTH SECTOR POLICY REFORMS	SUGGESTED NATIONAL HEALTH SECTOR REFORM STRATEGIES	EXPECTED END OF PROGRAM STATUS (EOPS) *
5.0 Ensure the viability of the HIO as the instrument for social insurance expansion	5.1 Do not add any new groups of beneficiaries to HIO until it is viable	<ul style="list-style-type: none"> <li>HIO/MIS extended to the national level and operational in all HIO regional offices, hospitals and polyclinics, and the percentage of HIO budget allocated for pharmaceuticals expenditures reduced to 40 percent of the total HIO budget</li> <li>A new unified HIO law ratified that is either combining or replacing HIO laws No. 32 for 1975 and No. 79 for 1975 in which incoming revenues from annual premiums, co-payments, and any GOE subsidies are set based on an actuarial plan to sufficiently cover the costs of existing beneficiaries groups including equipment and facility depreciation and required reserves</li> <li>Contracting for service provision is expanded with private and public sector hospitals</li> <li>Efficiency and effectiveness indicators in HIO facilities improved</li> <li>Private companies encouraged to provide health insurance either by geographic or population allocation</li> <li>HIO budget is balanced so that the revenues cover the costs</li> </ul>
	5.2 Eliminate the current HIO deficit	
	5.3 Reduce the proportion of the pharmaceuticals costs	
	5.4 Unify the existing Health Insurance laws into one law	
	5.5 Improve the ability of HIO in managing contracts with other service providers	
	5.6 Develop premiums based on actual costs using co-payments and deductibles	
	5.7 Identify and adopt an affordable health benefit package(s)	
	5.8 Improve the quality of HIO services	
	5.9 Expand contracting with private sector	
6.0 Expand social health insurance coverage coupled with adequate administrative and financing mechanisms	6.1 Transform the HIO into either a financing or a service organization	<ul style="list-style-type: none"> <li>Social health insurance is expanded to cover new groups of the population particularly high risk groups such as pregnant women, poor children and indigent groups under a financially viable system</li> <li>Private insurance companies established</li> </ul>
	6.2 Design and develop a plan for expanding national health insurance coverage	
	6.3 Develop a well defined minimum package of benefits under the national health insurance	

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## THE HEALTH POLICY SUPPORT PROGRAM (HPSP)

**THE POLICY MATRIX OF  
THE PROJECTED BENCHMARKS  
FOR TRANCHE ONE**

POLICY AREAS	BENCHMARKS - 12 -	VERIFICATION ELEMENTS
I. Strengthen the role of the MOHP in providing and financing Preventive Medicine (PM) & Primary Health Care (PHC)	1. A District based Primary Health Care <u>strategy</u> developed and officially endorsed by the MOHP	a) The minimum elements of the strategy will include: <ul style="list-style-type: none"> <li>• a PHC services package defined and mandated,</li> <li>• organization and financing of the PHC package, and</li> <li>• role of NGOs and private sector in the delivery of the PHC package</li> </ul> b) The strategy is officially endorsed by a Ministerial Directive c) A 5-year implementation plan developed for introducing the PHC package by the MOHP
	2. A <u>pilot project</u> designed to test the feasibility of the PHC strategy implementation completed	The pilot study will include: <ul style="list-style-type: none"> <li>a) Selection criteria for the geographic area;</li> <li>b) Resources required for implementation; and</li> <li>c) An implementation plan including the timeline.</li> </ul>

POLICY AREAS	BENCHMARKS - 12 -	VERIFICATION ELEMENTS
	3. Full <u>cost</u> of vaccines covered by the GOE beginning FY 97/98	The MOHP will provide adequate documentation of supplying vaccines in FY 97/98 and FY 98/99
	4. Percent of MOHP <u>expenditures</u> for identifiable Preventive Medicine (PM) and Primary Health Care (PHC) increased by 10% for FY 96/97	a) The baseline will be based on the Department of Planning (DOP) data for FY 95/96 b) The 10% will be calculated based on the DOP Budget Tracking report
II. Rationalize the role of the MOHP in providing and financing curative care	5. A <u>plan</u> developed to rationalize the MOHP hospital construction	The plan will include: a) hospital planning norms and standards; and b) the contribution of existing hospitals and ongoing construction to the planned coverage
	6. A <u>plan</u> developed and officially endorsed by the MOHP for the development of the economic section in the MOHP hospitals	a) The plan will include: <ul style="list-style-type: none"> <li>■ Criteria, elements and requirements for the economic section identified; and</li> <li>■ hospitals identified and time line developed</li> </ul> b) The necessary regulations issued to enable its implementation in MOHP hospitals

POLICY AREAS		BENCHMARKS - 12 -	VERIFICATION ELEMENTS	
III.	Reform the MOHP Personnel policy	7. Official <u>body established</u> to develop licensure and relicensure standards and procedures for nursing practice	a)	Establish a nursing licensing body by a Ministerial directive which broadly represents major stakeholders;
			b)	Charter and terms of reference developed; and
			c)	Members named and at least two meetings held
IV.	Develop the MOHP role in regulation and accreditation; and its capacity for national health strategic planning, policy analysis and management	8. An overall MIS <u>plan</u> for the health sector developed and officially endorsed	a)	The plan will include the MOHP reorganization of the functions of information planning, collection, dissemination, monitoring and evaluation; and
			b)	Plan endorsed by a Ministerial Directive
		9. MOHP Quality Improvement (QI) <u>unit established</u> and staffed	a)	An organizational and functional statement of the QI Unit established by a Ministerial Directive
			b)	A QI Unit Director appointed
		10. A comprehensive, longer-term national health sector reform <u>agenda developed</u>	a)	A draft agenda developed by the MOHP
			b)	The draft agenda vetted with principal stakeholders

POLICY AREAS		BENCHMARKS - 12 -	VERIFICATION ELEMENTS
V.	Ensure the viability of the HIO as the instrument for social insurance expansion	11. HIO expenditures on pharmaceuticals increased only by 10%	The baseline will be based on HIO annual report for FY 94/95 in which the average per capita expenditure on pharmaceuticals was LE 49.44
		12. Adequate funding for <u>MIS operating costs</u> is allocated by HIO	HIO pays all costs of telecommunications lines, software subscriptions, maintenance, and supplies necessary to maintain continuous operation of the MIS.

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## **Annex G**

### **SO-6 Matrix on "Nested Nature" of Results**

#### **Strategic Objective 6**

#### **Improved Access to Sustainable Water and Wastewater Services**

The matrix which follows covers all targets, actuals, and the percent of target achieved for the 26 indicators currently being measured for SO-6 in 1997. This responds to USAID/W's request that the nested nature of the different activities currently funded under SO-6 be aggregated to provide a broad overview of results. Aggregate values were obtained by calculating the mathematical average of percent of target achieved by the USAID-supported water and wastewater utilities.

Following the matrix are three bar charts that provide a graphical representation of the percent of target achieved for performance indicators 6, 6.1, and 6.3 by location as well as an aggregate measure of percent of target achieved for SO-6. Performance against indicator 6.2 is discussed separately in Annex J covering methodologies used for tracking decentralization.

**Strategic Objective 6**  
**Improved Access to Sustainable Water and Wastewater Services**  
**Results review and Resource request**

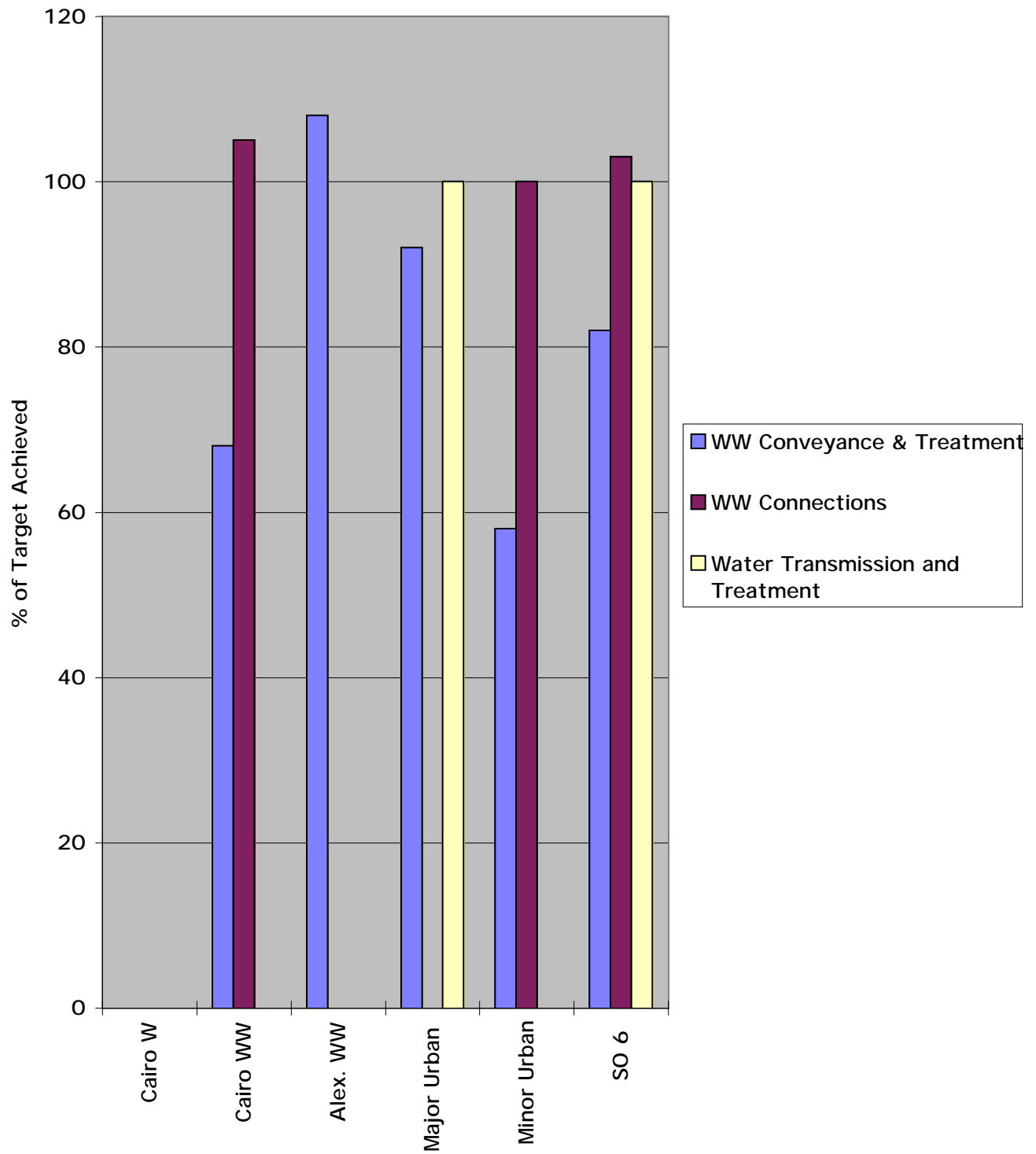
**1997 Report Sheet**

Indicator	Index	Cairo Water	Cairo Wastewater	Alexandria Wastewater	Major Urban Centers	Minor Urban Centers	SO 6 Aggregate
<b>6 Increased Access to Sustainable Water and Wastewater Services</b>	(Population in Millions)						
Waste Water Conveyance & Treatment ( 6.a, 6.b, 6.d, 6.f )	% of Target Achieved		68%	108%	92%	58%	82%
	Actual		3.0	2.6	1.17	0.23	
	Target		4.4	2.4	1.27	0.4	
WW Connections in Unsewered Areas ( 6.c, 6.g )	% of Target Achieved		105%			100%	103%
	Actual		2.1			0	
	Target		2.0			0	
Water Transmission and Treatment ( 6.e )	% of Target Achieved				100%		100%
	Actual				0.23		
	Target				0.23		
<b>6.1 Improved Sustainability Through Recovery of Full O&amp;M Costs</b>	(% of O&M Costs Covered)						
O&M Costs Covered By Generated Revenues ( 6.1.a,b,c,d,e )	% of Target Achieved	107%	44%	87%	102%	120%	92%
	Actual	75	28	73	51	48	
	Target	70	64	84	50	40	
<b>6.2 Improved Decentralized Utility management</b>	Personnel Policy, Revenue Retention, Performance Based Budget (1/3 point for						
Utility Delegated Appropriate Authority ( 6.2.a, b, c, d, e )	% of Target Achieved	33%	0%	0%	0%	0%	7%
	Actual	33	0	0	0	0	
	Target	100	100	67	300	100	
<b>6.3 Improved Capacity to Deliver Services Through Improved Systems &amp; Qualified Staff</b>	(Million Litre/Day)						
Wastewater Treated to Design Standards ( 6.3.a, b, d, h )	% of Target Achieved		96%	100%	100%	162%	115%
	Actual		700	585	276	34	
	Target		730	585	275	21	
WW collected & Conveyed to Treat. Facilities ( 6.3.c, e )	% of Target Achieved		103%		100%		101%
	Actual		720		295		
	Target		700		295		
Water Treated to Design Standards ( 6.3.f, i )	% of Target Achieved				135%	196%	165%
	Actual				35	51	
	Target				26	26	
Water Stored & Distributed ( 6.3.g )	% of Target Achieved				100%		100%
	Actual				26		
	Target				26		

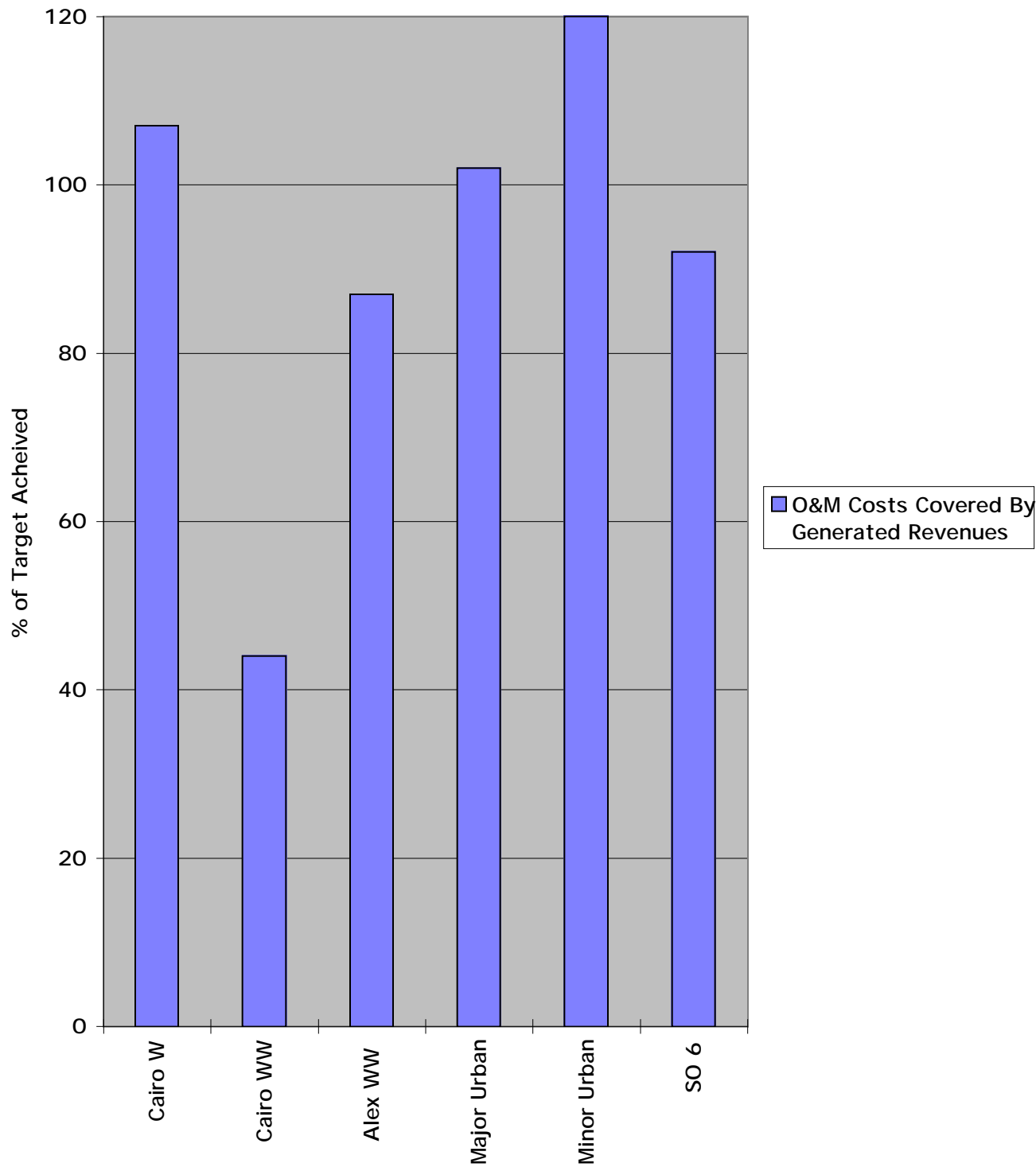
 N/A



## 6: Increased Access to Sustainable Water and Wastewater Services



### 6.1: Improved Sustainability Through Recovery of Full O&M Costs



## **Annex H**

### **Current and New Methodologies to Track Decentralization Process**

#### **Intermediate Result 6.2: Improved Decentralized Utility Management**

A recent audit of the Mission's water/wastewater portfolio by USAID's Regional Inspector General for Audit recommended that the accuracy of the results data reported in last year's R4 be verified. The Mission engaged the services of a performance monitoring consultant to carry out this task and to recommend any needed improvements in the SO 6 results tracking system. Several changes were recommended as a result of the data verification process, especially in the monitoring and reporting of progress of IR 6.2 indicators. These changes were required to correct problems impeding accurate performance monitoring and to improve the process of setting targets, tracking progress, and highlighting areas of lack of progress.

It was found that the "current" method of measuring and reporting progress towards achieving decentralized utility management did not offer an effective means of tracking actual performance because it could not detect incremental progress. Progress was only registered when the final target was reached, ignoring important interim steps the utility must achieve. That "all or nothing" approach made it impossible to track progress in a meaningful way or to flag problems and bottlenecks.

A new methodology was developed in conjunction with ANE/SEA/SPA. It registers performance at each step towards the ultimate delegation of authority for each utility. It introduces a seven-point scale (eight in one case) for measuring gradual progress. A percentage is assigned to each step based on its relative importance and weight in reaching the functional autonomy of the utility. The chart which follows shows performance against IR 6.2 as reported under the existing indicators using the current methodology (Current Scale), followed immediately by a similar chart showing performance using the new methodology (Proposed Scale). The new methodology demonstrates that meaningful progress towards decentralized utility management did actually occur during 1997.

An illustrative table demonstrates progress made by The Alexandria Wastewater Organization against each scale in obtaining the appropriate authority to retain revenues, prepare budgeting by chart of accounts, and direct personnel policy. The table with the proposed scale shows that several steps were achieved by the utility including obtaining the Chairman's approval of budgeting by chart of accounts, the Minister of Finance's approval of revenue retention authority, and the Governor's approval to adopt an autonomous personnel policy. Under the current methodology progress is not measurable.

The Mission will use the new methodology and associated targets beginning in 1998 and thereafter for out-year reporting against IR 6.2.

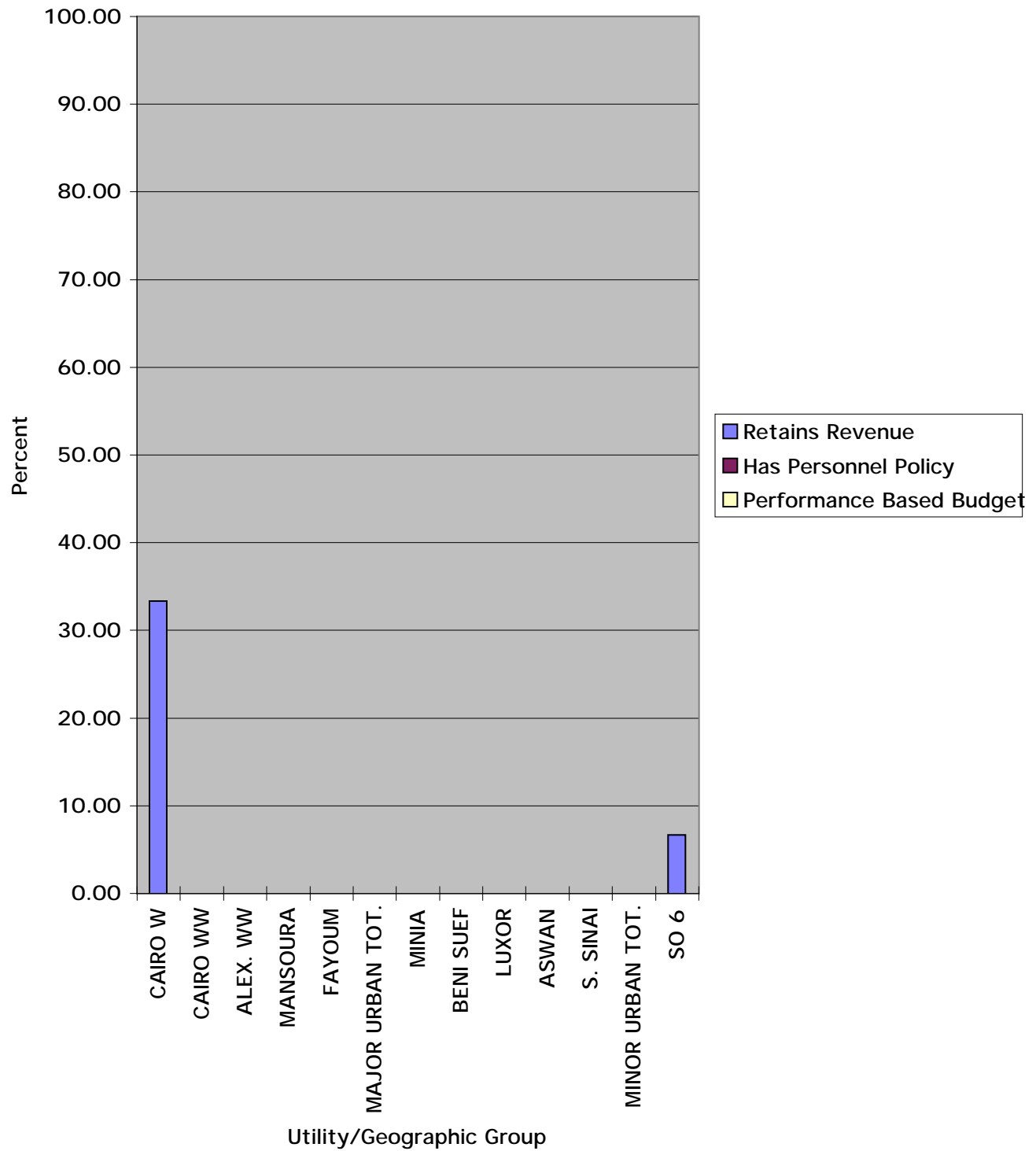
**Strategic Objective 6****Results Review and Resource Request (R4)****IR 6.2: Improved Decentralized Utility Management****6.2.a: Alexandria WW Organization Delegated Appropriate Authority**

	<b>Score Using Current Scale</b>	<b>Proposed Scale (%)</b>	<b>Score Using Proposed Scale</b>
0 Undeveloped		0.0	
1 Developed		10.0	
2 Approved by Chairman		20.0	
3 Approved by Board of Directors		30.0	
4 Approved by Governor		40.0	
5 Approved by CAO		50.0	
6 Approved by Prime Minister		75.0	
7 Implemented		100.0	
<b>Score</b>	<b>0</b>		<b>40.0</b>
0 Undeveloped		0.0	
1 Developed		12.5	
2 Approved by Financial Manager		25.0	
3 Approved by Chairman		37.5	
4 Approved by Board of Directors		50.0	
5 Approved by Minister of Finance		75.0	
6 Implemented		100.0	
<b>Score</b>	<b>0</b>		<b>37.5</b>
0 No Plan to Retain Revenues		0.0	
1 Plan Developed		12.5	
2 Approved by Financial Manager		25.0	
3 Approved by Chairman		37.5	
4 Approved by Board of Directors		50.0	
5 Approved by Minister of Finance		75.0	
6 Revenue Retained		100.0	
<b>Score</b>	<b>0.0</b>		<b>75.0</b>
<b>Overall Score *</b>	<b>0.0</b>		<b>50.8</b>

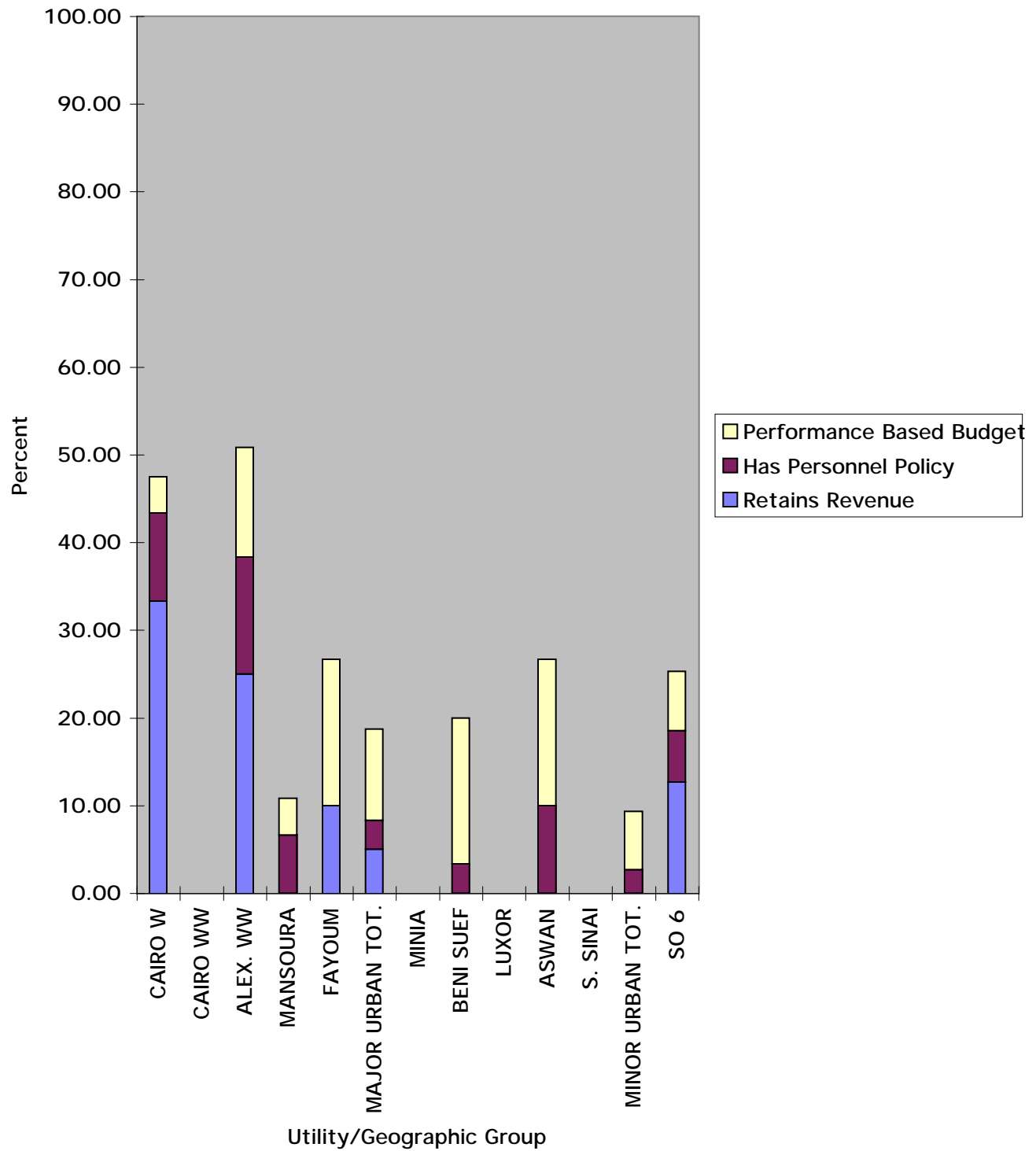
\* Mathematical average of Personnel Policy , Budgeting , and Revenue Retention Scores  

$$=(40+37.5+75)/3=50.8\%$$

## 6.2: Improved Decentralized Utility Management (Current Scale)



## 6.2: Improved Decentralized Utility Management (Proposed Scale)



**ANNEX I**

**STRATEGIC OBJECTIVE 7**

**REDUCED GENERATION OF AIR POLLUTION**

**ORIGINAL PLAN AND FRAMEWORK**

EGYPT					Approved: June 1996	
STRATEGIC OBJECTIVE 7: Reduced Generation of Air Pollution						
Indicator: Accumulated pollution reduction in SOx, NOx, and CO						
Unit of Measure: Metric tons of emissions averted from intervention and replications.		Year	Planned	Actual		
			SOx			
Source: USAID progress reports.		1995(B)	NA	20,202		
Comments:		1996	21,499	22,959		
		1997	48,660	44,472		
		1998	112,028			
		1999	206,525			
		2000	301,022			
		2001(T)	395,520			
			NOx			
		1995(B)	NA	4,262		
		1996	8,879	9,423		
		1997	42,392	36,681		
		1998	114,374			
		1999	226,336			
		2000	338,298			
		2001(T)	450,260			
			CO			
		1995(B)	NA	14,419		
		1996	21,623	22,560		
		1997	54,030	44,962		
		1998	156,019			
		1999	258,008			
		2000	359,997			
		2001(T)	461,986			



<b>Indicator:</b> Accumulated pollution reduction in HC, lead and particulate emissions			
<b>Unit of Measure:</b> % of emissions reduced as a result of interventions and replications.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
		<b>HC</b>	
<b>Source:</b> USAID progress reports	1996(B)	0	0
	1997	0	0
<b>Comments:</b>	1998	7	
	1999	20	
	2000	40	
	2001(T)	80	
		<b>Lead</b>	
	1996(B)	0	0
	1997	30.2	48
	1998	63.8	
	1999	73.1	
	2000	82.4	
	2001(T)	91.8	
		<b>Part. Emis.</b>	
	1996(B)	0	0
	1997	31.2	32
	1998	45	
	1999	48	
	2000	51	
	2001(T)	54	

RESULT NO. 7.1: Adoption of Pollution Mitigating Technologies			
<b>Indicator:</b> Pollution prevention technologies replicated			
<b>Unit of Measure:</b> Cumulative number of replication technologies installed.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1994(B)		0
<b>Source:</b> USAID progress reports	1995	20	24
<b>Comment:</b>	1996	31	31
	1997	36	36
	1998	50	
	1999	500	
	2000	2500	
	2001(T)	5000	
<b>Indicator:</b> Plants successfully adopting air pollution control technologies			
<b>Unit of Measure:</b> Cumulative number of replicated air pollution control technologies installed.	1996(B)		0
	1997	40	23
<b>Source:</b> USAID progress reports	1998	80	
<b>Comments:</b>	1999	120	
	2000	160	
	2001(T)	200	
<b>Indicator:</b> Public sector buses in Cairo running on CNG			
<b>Unit of Measure:</b> % of public sector fleets using CNG.	1996(B)		0
<b>Source:</b> USAID progress reports	1997	0	0
<b>Comments:</b>	1998	20	
	1999	50	
	2000	250	
	2001	300	

<b>Indicator:</b> Cairo vehicles in compliance with GOE emissions standards			
<b>Unit of Measure:</b> Cumulative number of Cairo vehicles passing vehicle emissions test.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1996(B)		0
<b>Source:</b> USAID progress reports.	1997	0	0
<b>Comments:</b>	1998	50,000	
	1999	280,000	
	2000	420,000	
	2001(T)	560,000	
<b>Result No. 7.1.1: Improved Environmental Policy Framework</b>			
<b>Indicator:</b> Electricity tariffs set at economic pricing levels			
<b>Unit of Measure:</b> Tariff as a % of long-run marginal cost.	1994(B)		90
	1995	100	80
<b>Comments:</b>  EEA is presently using over 80% of natural gas as its prime fuel. This resulted in a cost savings and increased efficiency. The cost of production is lower relative to tariff. There was no tariff increase since 1994. This performance indicator will be no longer tracked under S07.	1996	80	80
	1997	90	85
	1998	90	
	1999	100	
	2000	100	
	2001(T)	100	
<b>Indicator:</b> Sector policy reform - reduction of lead pollution			
<b>Unit of Measure:</b> Cumulative number of measures adopted and implemented.	1996(B)		0
	1997	4	4
<b>Source:</b> GOE and contractor reports.	1998	6	
<b>Comments:</b>	1999	6	
	2000	6	
	2001(T)	6	

<b>Indicator:</b> Sector policy reform - mobile emission sources			
<b>Unit of Measure:</b> Cumulative number of standards developed and implemented.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1995(B)		0
<b>Source:</b> GOE and contractor reports.	1996		0
<b>Comments:</b>	1997	2	1
	1998	4	
	1999	4	
	2000	4	
	2001(T)	4	
<b>Indicator:</b> Sector Policy Reform - stationary emission sources			
<b>Unit of Measure:</b> Cumulative number of strategies and enforcement procedures developed.	1996(B)		0
	1997	1	0
<b>Source:</b> USAID reports.	1998	3	
<b>Comments:</b>	1999	3	
	2000	3	
	2001(T)	3	
<b>Result No. 7.1.2: Technologies successfully demonstrate reduced emissions of CO, NOx, HC, and SOx</b>			
<b>Indicator:</b> Accumulated pollutant reduction in SOx, NOx and CO			
<b>Unit of Measure:</b> Metric tons of emissions averted from USAID-funded interventions		<b>SOx</b>	
	1994(B)		0
<b>Source:</b> USAID progress reports	1995	10,725	20,202
<b>Comments:</b>	1996		22,959
	1997	25,957	21,680
	1998	30,632	
	1999	35,307	
	2000	39,982	
	2001(T)	44,657	

	1994(B)		0
	1995	3,552	4,262
	1996		9,423
	1997(B)	14,545	8,834
	1998	20,152	
	1999	25,759	
	2000	31,366	
	2001(T)	36,973	
	1994(B)		0
	1995)	9,014	14,419
	1996	22,560	21,624
	1997	30,692	29,787
	1998	38,835	
	1999	46,978	
	2000	55,121	
	2001(T)	63,264	
<b>Indicator:</b> Accumulated pollutant reduction in HC			
<b>Unit of Measure:</b> % of emission reduced as a result of USAID-funded interventions.	1997(B)	0	0
	1998	22	
<b>Source:</b> USAID reports.	1999	23	
<b>Comments:</b>	2000	25	
	2001(T)	26	
<b>Indicator:</b> Natural gas consumed at power plants			
<b>Unit of Measure:</b> % of natural gas in total fuel consumption.	1994(B)		70
<b>Source:</b> EEA	1995	70	76
<b>Comments:</b>	1996	81	73
	1997(B)	80	81
	1998	100	
	1999	100	
	2000	100	
	2001(T)	100	

<b>Indicator:</b> Improved fuel consumption ration to KWH generated			
<b>Unit of Measure:</b> Gram mazute equivalent/kilowatt hour	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> EEA	1995(B)	230	227
<b>Comments:</b>	1996		223
	1997	223	223
	1998	221	
	1999	221	
	2000	221	
	2001(T)	218	
<b>Result No. 7.1.3: Technologies successfully demonstrate reduced air emissions of particulate</b>			
<b>Indicator:</b> Accumulated amounts of pollutant reduction			
<b>Unit of Measure:</b> % of emissions reduced as a result of USAID-funded interventions and replications.	<b>Lead Smelters</b>		
<b>Source:</b> Contractor reports.	1996		N/A
<b>Comments:</b>	1997(B)	0	0
	1998	42	
	1999	75	
	2000	88	
	2001(T)	88	
	<b>CNG Buses</b>		
	1996		N/A
	1997(B)	0	0
	1998	20	
	1999	50	
	2000	100	
	2001(T)	100	

	Year	Planned	Actual
	Lead from Vehicles		
	1997(B)	80	80
	1998	100	
	1999	100	
	2000	100	
	2001(T)	100	
<b>Result No. 7.1.4: Environmental management strengthened (monitoring other donor results)</b>			
<b>Indicator:</b> Environmental education and training unit established within EEAA.			
<b>Unit of Measure:</b> Office staffed and in continuous operation.	1995(B)	0	0
<b>Source:</b> Implementing donor	1996		1
<b>Comments:</b> Phase I focusing on awareness activities and EIAs completed: Phase II (1998 - 01) to focus on developing detailed staff training plans and initiating EEAA staff training.	1997	1	1
	1998	1	
	1999	1	
	2000	1	
	2001(T)	1	
<b>Indicator:</b> Guidelines established for environmental impact assessments			
<b>Unit of Measure:</b> Official guidelines issued and maintained.			
<b>Source:</b> Implementing donor.	1995(B)	0	0
<b>Comments:</b> New industrial projects and other major facilities now preparing EIAs for GOE approval.	1996		1
	1997	1	1
	1998	1	
	1999	1	
	2000	1	
	2001(T)	1	

<b>Indicator:</b> Environmental information system established			
<b>Unit of Measure:</b> System established and operations maintained.	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> Implementing donor.	1995(B)	0	0
<b>Comments:</b>  System is being established. Inception design stage completed, and data is being collected and system tested.	1996	0	0
	1997	1	0
	1998	1	
	1999	1	
	2000	1	
	2001(T)	1	
<b>Indicator:</b> Procedures developed for enforcing the environmental law			
<b>Unit of Measure:</b> Procedures developed and enforced.	1995(B)	0	
<b>Source:</b> Implementing donor.	1996		0
<b>Comments:</b>  EEAA is currently working on a strategy enforcement. Strategy should be approved in 1998 at which time detailed procedures will be developed.	1997	1	0
	1998	1	
	1999	1	
	2000	1	
	2001(T)	1	
<b>Indicator:</b> Mechanisms in place for coordination and cooperation among GOE agencies			
<b>Unit of Measure:</b> Mechanism established and maintained.	1995	0	0
<b>Source:</b> Implementing donor.	1996		1
<b>Comments:</b>	1997	1	0
	1998	1	
	1999	1	
	2000	1	
	2001(T)	1	



## Annex J

### **SpO E - Commitments Linked to Strategic/Special Objectives** **Cumulative as of December 31, 1997** **(\$)**

SO - 1	Increased Private Sector-Led, Export Oriented Economic Growth:	3,688,961
	Agricultural Policy Reform	82,390
	Agricultural Technology Utilization and Transfer	38,520
	Power Sector Support II	287,522
	Technical Support for Sector Policy Reform	2,126,596
	Privatization Support	82,886
	Growth Through Globalization	214,102
	Leadership Development Program	856,944
SO - 2	Increased Participation of Girls in Quality Basic Education	34,298
SO - 3	Increased Civil Society Participation in Public Decision Making	43,635
SO - 4	Reduced Fertility	1,016,950
SO - 5	Sustainable Improvements in the health of Women and Children	1,260,898
SO - 6	Increased Access to and Sustainability of Water and Wastewater Services	32,508
SO - 7	Reduced Generation of Air Pollution	185,111
SpO A	Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research	--
SpO B	Increased Use of Information Services by the Legislation in Decision Making	--
SpO C	Improved Civil Legal System	52,446
SpO D	Approaches to Sustainable Tourism Demonstrated	72,633
SpO E	Increased Human Capacity Development	68,336
	Total	6,455,776

## **ANNEX K**

### **USAID ENGENDERS RESULTS**

# **GENDER -- ACTION -- PROGRESS**

## **Annex K**

### **USAID Engenders Results**

#### **Performance Report:**

USAID/Egypt has continued to make progress in mainstreaming gender and making related issues routine in all aspects of SO activities and workplace dynamics.

Two WID Fellows from USAID/Washington, trained in gender analysis, with backgrounds in the fields of health and nutrition and education, shared their expertise with the Mission last year. A ten-person Mission team, led by a senior USDH and the Mission's FSN Gender Officer, produced "Guidelines for Gender Integration in Mission SOs." The guidelines are intended to stimulate thinking about the USAID program through a "gender lens." The document provides Strategic Objective Teams with tools to help them reach a better understanding of gender issues in meeting the needs of the ultimate customers and to gain the maximum beneficial impact for SO activities. Justifications are presented for why gender variables are important and information provided, relative to the needs of the different SOs, on where to get help, both technical and financial, to assist them in considering additional gender-related analyses and/or activities. The Mission intends to have gender awareness sharpened for all officers and staff. They will be encouraged to flag programs and activities that may have a negative impact on woman and girls and to recommend corrective actions. Weak program implementation due to institutionalized gender inequalities that exist in the Mission's bureaucracy and in counterpart GOE ministries, government agencies and contractor firms will be identified and addressed.

A wide range of specific actions have been undertaken over the past year to address gender concerns. The following activities highlights those with significant participation by women as well as men in their design, achievement, and monitoring.

#### **SO1: Accelerated Private-Sector-Led Export Oriented Economic Growth**

##### **(a) Agricultural Technology Utilization and Transfer (ATUT)**

USAID Results Package managers and ATUT partners conducted a gender baseline survey on "Women in Grapes" to establish a quantitative and qualitative gender-disaggregated data for ATUT project implementation and impact evaluation purposes. This study aimed to develop a clear understanding of the potential customers differentiated by a number of criteria including gender.

The survey collected data from women and men on several socioeconomic financial and technical issues that affect the results of the RP. The survey is supplemented by case studies that cover gender roles in entrepreneurship, management, production, and employment (including landless labor) in vertically integrated grape production, packaging, transportation and marketing firms.

As a next step in integrating gender considerations into the project, a special mainstream program, using the findings of this study, is under discussion.

(b) Agricultural Policy Reform Program (APRP)

APRP aims at removing the remaining policy barriers to private enterprise in agriculture (including agribusiness), with emphasize on some policy and regulatory areas such as prices, marketing and trade, privatization and private investment, and public investment and sustainability of agricultural production. Through this program, USAID is able to measure the impact of privatization in the agricultural sector on women regarding income, employment, and adoption of new technology. The program also has a component related to food security under which it conducted a baseline study through IFPRI which shows women profile in the research and extension information system.

(c) AgReform

The AgReform project is designed to increase incomes among economically marginal farm households in Upper Egypt. The project is actually working with a much greater number of women than anticipated, specially in the animal production and marketing. While the project proposal posted a 15% target, 26.5% of the farmers participating in the project link trips were women. Most of them were interested in poultry production activities.

Women in Sohag governorate, in Upper Egypt, wanted to better utilize excess production in their community. AgReform staff arranged for the local community Development Association to train them in food processing and to help them sell their products. The women in Sohag, selling both through the CDA's and on their own, have shown increases in their incomes ranging from LE 60 (\$18) to over LE 200 (\$60).

(d) Privatization Support:

While privatization itself is gender neutral, the impact within certain industries can vary greatly. For example, depending on the industry, privatization could have a negative impact on women in terms of a reduction in employment within newly privatized firms, especially where women are overly represented within the ranks of "redundant employees".

While the labor law seeks to overly protect women by giving them a greater number of benefits, in a competitive environment the costs associated with these benefits place women at a competitive disadvantage compared to male labor costs in similar positions. This is particularly evident in a private sector work environment.

Further, the privatization has had a positive impact on women employment in the banking, financial institutions, consultancy operations, and other professional categories of the capital markets industry. Female professionals have assumed key roles as owners, professionals, and administrative positions within brokerage firms, fund managers, banking, and the stock exchange while maintaining their dominance in the administrative support side of this industry group. In some professional categories women represent equal or even higher percentages than males in the labor force. In this case, women have benefited from the privatization process. Measures to offset the negative impact of privatization on women are yet to be defined.

(e) Small and Micro Enterprise Credit

Recent evidence from a study on poverty trends in Egypt indicate that more women now head very poor households and that poverty has become urbanized. USAID is confident that this sector could continue to qualify for the USAID-supported type of loan by utilizing the private sector as a bridging mechanism between existing financial institutions and the informal economic state to expand production and employment among small (six to fifteen employees) and micro (one to five employees) enterprises. The Small and Micro Enterprises Credit Program is providing assistance in six governorates through six strong Businessmen Foundations which have been established to serve as small and micro enterprises lending institutions. Actually some of these institutions have reached self-sufficiency in a few years.

Although the percentage of women recipients of loans under this program remain modest, yet recently such percentage went up from 12% to about 17%, reaching 22% in Assiut, which is a traditionally conservative governorate. This is partly due to the establishment of a women specific Unit in the Foundation that administers the program in Assiut, to promote the participation of women in the program.

Loans to women entrepreneurs under the Program are as follows: Cairo 11%, Alex 10%, Assiut 22%, Sharkiya 18%, Port Said 15%. However, if we use the definition of owners/operators to classify women loan recipients the figures may be less.

More support is provided to encourage greater participation of women in a variety of ways: additional research to detect particular needs; hiring more female extension officers; support for community associations focusing on women's needs; and continued conferences and seminars.

Moreover, a pioneering Business-Women Association was established recently in Alexandria as pilot activity to be emulated in other governorates if it proves to be successful.

## **SO2: Increased Participation of Girls in Quality Basic Education**

This past year, gender issues have been in the forefront of SO2 planning dialogues and monitoring activities with an additional member on the Core Team, a USAID World WID Fellow to advise on technical aspects of education and gender. But the SO2 Team is aware that the Mission's full-fledged and long-standing commitment to promoting Girl's Education cannot automatically ensure that SO2 activities are addressing more complex, systemic gender issues that can slow down the process of sustainable development, such as gender prejudice and power inequalities in families, classrooms, and local communities.

The SO2 Team has made significant progress in making gender issues routine, when monitoring activities of NGOs and contractors in a wide range of activities designed to increase girls' participation in quality basic education. For example, the community school approach is ensuring that NGO/PVO partners, local Community Development Associations and their Education Committees have women participate in school management decisions, to voice the concerns and contribute the insights of women. In research to assess the current situation of children in Egyptian classrooms, the SO2 Team has required contractors to collect gender-disaggregated data, to gain a clearer picture of specific barriers and constraints preventing Egyptian girls from staying in school, in selected governorates of Egypt where girls' drop-out rates and female illiteracy are high.

In addition, the SO2 Team continues to integrate gender in practical ways in teacher training activities that involve recruiting and training cohorts of local young women to involve them in launching small community schools for out-of-school girls, to serve as teachers and role models. To its Ministry of Education partners, NGOs and contractors alike, the SO2 Team has systematically provided the latest tools and handbooks available from USAID-commissioned programs to improve girls' experiences in primary classrooms (eg. Beyond Enrollment, ABEL, 1996). But careful monitoring has identified a gender issue that ongoing training sessions can address: all trainers hired in the first round of these [contractor-led] activities were male education specialists, despite the availability of female specialists. This provides a learning opportunity and indicates paths to action where the USAID/Cairo SO2 Team can ensure that contractors follow the Mission's lead in making gender issues central to all development activities.

Finally, the SO2 Team has planned an official curriculum review and revision to improve how Egypt's textbooks portray the status of girls and women and relations between males and females, to enhance positive images of females, reduce stereotyping and broaden the range of female role models. SO2 Team is becoming increasingly aware that gender action requires parallel strategies to raise the awareness of men and boys of the importance of educating girls and women and including them in planning and decision-making, because men are key to women's status.

An example of a success story worth noting under SO2 is the target set last year for girls receiving literacy and life-skills training in targeted areas. The target was exceeded by

over 150% (planned 5000-achieved 8,076). This success is attributable to the US NGO CEDPA's "New Horizons Program". This life-skills training program for non-literate, adolescent girls consists of practical lessons on nutrition, family life, legal rights of women and simple economics; for the older adolescent, modules on the sensitive subjects of family planning, FGM, and sexually transmitted diseases, are included after discussing their contents with parents. In addition to educating these girls on practical subjects, the program often creates a demand for literacy, which is then made available. The program has gained broad recognition from both the Ministry of Education, NGO's and is now being adapted for use in the Ministry's preparatory school home economics classes.

### **SO3: Increased Civil Society Participation in Public Decision Making**

#### **(a) NGO Service Center**

One of the most important aims of the service center is to strengthen Civil Society Organizations (CSOs) as avenues for people's participation in society. This is especially important for women, as their first opportunities to discuss issues and make decisions are often provided by community organizations. In addition, Civil Society Organizations are perhaps the primary entities working on issues of special concern to women and bringing them to national and international attention.

As part of the design of this new Results Package, and in preparation for the role Civil Society Organizations will take in implementing it, SO3 has sponsored a series of workshops for CSO participants. As of December 1997, four workshops have been held on NGO management and advocacy. Women have been important actors in these workshop: three of the four lead presenters have been women, and women were 56% of the CSO participants. Further workshops are expected to reflect this same balance.

A similar balance is planned for other training opportunities. The first participant training related to the new RP, a training of trainers in advocacy, was attended by a team of two, one woman and one man.

#### **(b) PVO Development**

The PVO Development Project has continued to support institutional strengthening and grants for Egyptian community organizations dealing with issues which directly affect the lives of women such as credit and microenterprise projects and cottage industries (including projects to enhance the livelihood of women and poor families) local institutions building, pollution prevention, solid waste management, women's education, and women's health programs. These projects have directly or indirectly reached 35,956 Egyptians, 48% of them were women). The program has also raised the capacity of Egyptian organizations, providing 15 training events to 204 representatives from 40 Egyptian PVOs, 38.24% of whom were women.

(c) **African American Labor Center**

While women constitute almost a third of the 4 million membership of the Egyptian Trade Union Federation (ETUF), their participation in trade union activities and leadership is low. In 1997, the African American Labor Center (AALC) conducted six different training programs at the Worker's University in Cairo to equip trade unionists with leadership skills, with an emphasis on women participants. A total of 390 Egyptian women (43%, as compared with their 32% share of the membership in ETUF) and 524 men were trained. One of the measurable indicators to the success of this program was the increase in the number of women elected to leadership positions by 25% in the local and regional union levels in the last two years, from 700 to 925.

(d) **Shrouk**

The formative evaluation of the Shrouk program is in the process of finalization, and Shrouk has not yet completed an authoritative study of women's participation, but it appears that there have been modest gains in women's participation. Women's participation in Shrouk committees is estimated as about 9%, which, while low, is an improvement over their almost complete absence in other government bodies such as the Popular Councils. There is also some evidence to suggest that the program is beginning to sensitize villagers to the need for more women's participation. In Shrouk villages, women are perceived as having a role in prioritizing and identifying projects. There is room for improvement, however Shrouk is taking steps to address women's participation. A consultants' background report and an internal report with "recommendations from the women's group" contain broad recommendations to increase women's participation.

(e) **Africare (Wadi El-Saayda)**

The Wadi El-Saayda project is helping improve the quality of life of university and high school graduates and landless farmers -- men and women -- who are settled on newly reclaimed land where each head of household receives six feddans. Direct beneficiaries/women represent 35 percent of the total number. The settlers benefit from improvements in their overall conditions of living. Family members can access technical assistance which benefits women's activities such as livestock, poultry and food processing. By the end of the third year, it is expected that the per capita income for these families will be doubled.

**SO4: Reduced Fertility**

SO4 is strongly focused on meeting critical needs of women in Egypt. The direct beneficiaries of SO4 services are married women of reproductive age. The family



planning/reproductive health (FP/RH) services supported by SO4 benefit women in a number of important ways, including the following:

- Women's health is protected. By reducing high risk pregnancies, maternal mortality and morbidity are reduced.
- Women are empowered by getting control of their reproductive lives. By being able to control and plan their reproduction, women improve their opportunities for education, employment, and political participation.

SO4 interventions are designed to develop services that are responsive to the needs and preferences of women clients, in the following ways:

- Services are being made comfortable and safe for women, by: (1) expanding the number of women physicians; (2) providing good counseling so that women can make informed choices; (3) providing a clinic environment that is clean, safe comfortable, and private; (4) providing safe, effective, and affordable contraceptives; and (5) expanding contraceptive methods available.
- Information, education, and communication (IEC) services are designed to bring clear and accurate information to all women concerning family planning and reproductive health.
- Research is being done to understand the lives of women in Egypt and to design services that really meet their needs.
- SO4 is training large numbers of women service providers and managers.

Recent progress achieved by Egypt's USAID supported Family Planning Program has been captured by a new USAID funded tool, an interim Egyptian Demographic & Health Survey which was initiated in 1997 to provide annual data on fertility levels. This survey revealed that Total Fertility Rate TFR dropped from 3.63 in 1995 to 3.27 in 1997 exceeding the target of 3.59. Contraceptive Prevalence rate CPR jumped from 47.9% in 1995 to 54.5% in 1997. However additional monitoring is necessary to find out if this represents a trend.

## **SO5: Sustainable Improvements in the Health of Women and Children**

Increased attention of women's health concerns is a core element of this SO. Given the high ratios of maternal mortality throughout the Governorates of Egypt, this has translated into an increased focus on obstetrics and maternal care programs. Linked with other Mission support for the increased availability and use of modern family planning services, SO5 has focused on improving the readiness (staff competence and required personnel, equipment, medications, etc) of health care facility to provide effective obstetrics and maternal care.

Attention has also been directed toward modifying curricula in medical, nursing and mid-wifery schools to incorporate improved standards for obstetric care and assure more emphasis on pre- and post-natal care, and increasing both the number of private practices available to provide these services as well as the number operated by female physicians. SO5

also continues to support national efforts to reduce the practices of female genital mutilation FGM. This support has been provided through grants to NGOs, support to the FGM Task Force to enhance advocacy efforts and raise awareness, as well as assistance to the Ministry of Health and Population to include the hazards of FGM in training programs. Although the legal status of FGM is still the subject of political, medical, and religious controversy, the Supreme Court recently upheld the Minister of Health & Population's decree to ban the practice of FGM.

This increased emphasis on reproductive health along with a continuing focus on child health services are fundamental elements of the basic package of services under the MOHP's new primary health care strategy. Progress to reduce infant and child deaths has been steady and impressive. For the 1982 through 1997 period, the under five mortality rate (U5MR) has been reduced from 151.5 to 66.2 per 1000 live births and infant mortality rates (IMR) have been decreased from 94.9 in 1982 to 52.7 per 1000 live births (EDHS 97). These reductions have been equally impressive for both boys and girls, with the U5MR for boys decreasing from 92.5 to 87.7 and the IMR decreasing from 72.5 to 67.5, and the rates for girls decreasing from 99.3 to 81.9 and from 73.3 to 63.3, respectively, over the 10 year period.

#### **SO6: Increased Access to Sustainable Water and Wastewater Services**

SO6 focuses on providing access to water and wastewater services in the urban and peri-urban environments of Egypt. While providing utility services is largely considered gender neutral, recent studies in the Cairo area have shown that water and wastewater services in the home, or lack thereof, do impact disproportionately the females in a household. For example, it was found that female household members bore the primary responsibility for transporting water to the home in the absence of a direct connection. On average, women spent more than two hours each day carrying from 20 to 40 kilograms of water over many trips to supply the family water requirements.

In the absence of a direct water connection, women also had to find alternative water sources for washing clothes and household utensils. This water was commonly taken from the nearby irrigation ditches that are largely seen as heavily polluted in the urban environment. This exposed the women to a higher risk of health hazards.

Poor wastewater services also adversely affected the women who spent more of their time at the home in frequently flooded conditions and an environment buzzing with mosquitos. Improving the sanitary drainage removes the causes for flooding, eliminates the sources for mosquitos, and encourages the neighborhoods to take further action to clean the general environment of solid wastes and trash.

Efforts within institutional strengthening components of the program now focus on customer relations and outreach of utility companies to the public. The programs encourage local level development of advocacy groups to participate in the planning, implementation and operations for extending and improving services in established areas.

## **SO7: Reduced Generation of Air Pollution**

The principal customers for SO7 are the people of Egypt, both those living today and those yet to be born. Thus, more than half of the customers are women, and there are gender issues related not only to their greater participation in decision-making, but also related to their roles and special needs which in Egypt, as in other places, tend to be overlooked.

While it may be true that "both sexes breath the same air," for example, it is not true that men and women breathers of that air have the same reactions to its components. For example, while there seems to be no gender differentiation on the negative impact of lead pollution on the mental development of young children, there are indications that women are more adversely affected than men by the negative effects of the small particulate component of polluted air and that this results in a higher incidence of bronchial asthma and other serious respiratory diseases. Similarly, the effects on women of pollution with respect to their child-bearing role may result in higher incidence of breast and uterine cancer. It may be reasonably argued that if women are more adversely affected by certain environmental diseases than men, that improving the environmental factors (or keeping them from getting even worse) will benefit them more proportionately.

Under SO7's new policy program, a public awareness program designed by GreenCOM strongly takes into account gender differences in that aspect of the EEPP program. GreenCOM points out that especially in areas which involve behavioral and attitudinal change, gender perceptions and roles can be critical. In the solid waste area, for example, the roles of men and women in handling solid waste is quite different in Egypt and therefore gender considerations must be taken into account in this area. Similarly, the training needs assessment for SO7 is also sensitive to the differing training needs of men and women. To ensure gender issues are fully addressed in future activities, increased participation of women is being sought in planning, achieving and assessing of SO results. While such participation is important, it is also vital to promote gender sensitization among decision-makers in the environment sector.

**USAID/EGYPT**

**PART IV: RESOURCE REQUEST**

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RESOURCE REQUEST

VOL. III

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## **PART IV. RESOURCE REQUEST**

### **A. Overview**

The request for program funds is \$815 million annually in economic support funds (ESF) to support the achievement of results consistent with the approved strategic plan. The program supports various Agency and Congressional earmarks. The bulk of the funding is allocated to SO 1 in support of accelerated private sector-led, export-oriented economic growth. The remainder is allocated across the other important areas of basic education, democracy, family planning, health, and environment. Workforce planning tables show another reduction in USDHs consistent with the USAID/W-provided ceiling. Further deterioration in USDH levels, however, will seriously impede the Mission's ability to achieve results and ensure accountability. In addition, increasing demands to support regional posts, prepare for and initiate the new management system (NMS), and program support for the U.S. Egypt Partnership for Economic Growth and Development also strain ever declining human resources. While welcoming the removal of ceilings for FSN/USPSC staff, the Mission finds the reduction of \$500,000 in the FY 1997 operating expense ceiling complicates USAID/Egypt's ability to maintain the staff it requires while at the same time meet the increased equipment and the associated Year 2000 costs.

### **B. Program Resources**

#### **1. Funding Request**

USAID/Egypt's requested funding for FY 1998 - FY 2000 (Tables 1-3 in the Annex) assumes an annual earmark of \$815 million in economic support funds (ESF). Funding allocated for SO 1, SO 2, SO 3 and all SpOs is within the levels approved by USAID/W in June 1996 as part of the FY 1996 - FY 2001 strategic plan. Funding for SO 7 and SO 8 reflects levels approved by USAID/W in January 1998. Funding for SO 4, SO 5, and SO 6 exceeds levels approved for the strategic plan and reflects the additional funding ceilings requested in Part II for the extended time periods beyond FY 2001 for these SOs.

The ESF for Egypt contributes extensively to Agency and Congressional priorities ("hard" or "soft" earmarks) as indicated by the Tables 1-3. The Mission expects to continue its contributions to these earmarks even if funding were reduced over the next few years. Funding is provided for child survival, infectious diseases, family planning, basic education, agriculture, environment and democracy. In addition, substantial discretionary funds support the achievement of SO 1 results aiming to accelerate private sector-led, export-oriented economic growth. Microenterprise enterprise funds are included within the "other growth" category as well..

#### **2. Pipeline**

The program had a \$2.247 billion pipeline at the end of FY 1997. Nearly all of the \$809 million obligations in FY 1997 occurred during the last two months of the fiscal year and thus are a substantial part of this pipeline. While the pipeline level exceeds Agency

guidelines, planned expenditures through FY 2000 will reduce the pipeline substantially, nearly reaching a level consistent with Agency guidelines. Slower than expected progress on policy reform has been a principal contributor to pipeline build-up.

The Mission held an extensive review of the pipeline with its principal Egyptian counterpart in early FY 1998 and identified a number of principles to follow to reduce the pipeline. These include accelerating the procurement process, increasing the frequency of pipeline monitoring, encouraging accelerated reform, adhering more closely to Agency guidelines in allocating resources, deobligating promptly funds no longer needed to achieve activity objectives, increasing the use of already competed contracts for technical services, developing faster disbursing activities, and stretching out program assistance obligations. With respect to the large Sector Policy Reform (SPR) pipeline, USAID intends to stabilize the pipeline within the \$200-\$400 million range, obligate nearer to actual Government of Egypt

performance on reforms, and obligate amounts relative to the anticipated performance.

USAID support through substantial technical assistance activities has helped Egyptian institutions develop the capacity to accelerate implementation and absorb more funding over the planning period. This is particularly true of the policy programs underway (e.g., SPR, Agricultural Policy Reform, and Health Policy Support Programs). Many Egyptian partner entities for water, wastewater, power, and telecommunications infrastructure have acquired the needed experience to procure construction services more efficiently and speed disbursement of the pipeline. These factors will contribute to a reduced pipeline by the end FY 2000.

3. Nongovernmental Organization (NGO)/Private  
Voluntary Organization Involvement (PVO)

NGO/PVO participation in the program is an important objective of the USAID/Egypt program. Planned allocations to NGOs/PVOs as a percentage of planned obligations show an upward trend: FY 1998, 4.71 percent; FY 1999, 5.01 percent; and FY 2000, 5.29 percent. In addition, USAID is considering establishing several endowments over the next few years that would likely raise involvement levels in FY 2000.

4. Prioritization of Objectives

The Mission continues to give high priority to the achievement of SO 1 accelerated economic growth results, which are important to achieve sustainable development with increased employment for Egyptians over the long term. Approximately 70 percent of the OYB is planned for SO 1 in FY 2000. Remaining resources are spread across the other objectives. If overall program resources were reduced, funding for SO 1 would decline.

Social development results sought in SO 2 (girls' education), SO 4 (family planning) and SO 5 (health) continue to be important to help Egypt achieve sustainable development as well as ensure an improved quality of life for Egyptians over the longer term. Increased funding for family planning and health programs will enhance the achievement of sustainability in these important areas.

Environment (SO 6, SO 7 and SO 8) is becoming an increasingly important sector for investment as Egypt faces challenges to sustaining clean water, clean air, and coral resources. Achievement of sustainable growth requires that greater emphasis be placed on the environment. A new environmental results package will address fundamental institutional and policy constraints in this sector. Initiatives in SO 6 (water and wastewater infrastructure) require funding some years into the future for existing and planned activities. New initiatives will contribute substantially to improving operational effectiveness and service sustainability results.

While presently facing some challenges in achieving results in democracy (SO 3), the Mission believes the development of civil society and the increased participation of citizens in public decisions that affect their lives are vital for the country to evolve politically over the longer term. Funding will continue to be provided for these important efforts.

Most of the Special Objectives have been fully funded and will not require substantial resources after FY 1998. Overall, the current Mission portfolio of activities is essential to reach the objectives set out in the strategic plan. Reductions in funds will affect the level of results achieved.

C. Linkage with Centrally Funded Mechanisms

Table 4 entitled "Global Field Support" (see Annex) provides the Mission plans for utilizing central programs in implementing the strategy. During FY 1998 the Mission plans on using approximately \$32.5 million for procuring goods and services from global contracts. Approximately one-fourth to one-third of the funding is for health and population activities. For FY 1999 and FY 2000, the Mission plans on buy-ins of \$41.3 million and \$33.9 million,

respectively. These central contracts reduce Mission effort and time for procurement and thus are important mechanisms for implementing the program.

#### D. Workforce

Over the FY 1996 - FY 1997 period, the USDH workforce level dropped substantially (from 88 to 76) while program resources dropped only very slightly (\$10.8 million NOA contribution to the Middle East Peace and Stability Fund in FY 1997) and the pipeline remains substantial. Nevertheless, the Mission is again asked to reduce the USDH level, from 76 to 74 by the end of FY 1998. While some USDH staff savings have been realized with reorganization and reengineering of operations, the reduction in staff ceilings preceded full implementation of the changes. Moreover, additional demands on staff to serve regional posts, ensure NMS implementation, and program support for the U.S. Egyptian Partnership continue to be high. Thus, any further deterioration in USDH levels will seriously impede USAID's ability to achieve agreed-upon results and ensure accountability.

The reduction in the USDH level is expected to be achieved by (1) deleting a BS-94 position for SO 6 by the end of FY 1998 and (2) merging the Health and Population Divisions in FY 1999 and eliminating one position by the end of calendar year 1998. The Mission may request an increase in the USPSC/PASA level in the future as new opportunities to support important sectoral initiatives and broaden participation with other USG agencies arise (i.e. HHS, EPA). The Mission would be pleased to serve as a training mission for three IDIs (one each in health, population and management) and possibly one IDI for education if one were to become available. While having IDIs requires additional USDH effort, the benefits of additional technical expertise are appreciated. The Mission has benefitted over the past five months from having a WorldWID Fellow with technical expertise in basic education. To provide continuing needed expertise, the Mission is pursuing the identification of and support for an education TAACS. The Mission also plans to request a democracy Fellow to provide expertise in this sector. A fellow could assess linkages and underlying assumptions of the democracy objectives; analyze the effectiveness of all civil society organizational interventions; advise Mission management on opportunities to enhance cross cutting policies and activities to achieve participation impact; and assess social costs and benefits of incorporating areas such as child labor/street children, women's rights, corruption-related issues, and human rights in the strategic plan. However, the TAACS and Fellow positions would not be part of the Mission's ceiling.

The USAID/W decision to abandon ceilings for FSNs and USPSCs is welcome news and the Mission hopes this practice will be maintained as a feature of the workforce planning process. The Mission plans to maintain the existing levels of FSNs (281 positions) and USPSC (22 positions) over the planning period as necessary to ensure adequate program management and to avoid serious risks to accountability of the huge, politically visible Egypt program. The program- and OE-funded mix will remain the same except for the shift of one OE-funded FSN position to program funding. The new position is for a senior specialist to assist with the Health Sector Support Program result package initiated in FY 1997. Continuing pressure on USDH ceilings is requiring USAID to shift more responsibilities to FSNs and upgrade a number of FSN positions. However, this is a long-term process, one which requires time and sufficient training resources to develop and retrain existing talent adequately.

USAID/Egypt had projected that future reductions in staff would be dependent on implementation of an improved new management system (NMS). However, planned efficiencies from NMS implementation have not occurred; in fact, the current process of trying to maintain the older financial management and procurement systems while at the same time implementing new systems places increased demands on existing staff. While the AWACs will likely be replaced with an off-the-shelf model, implementation of this and continuing implementation of the other modules are expected to require substantial effort over the near term. Effective implementation is important to USAID/Egypt and the Mission remains very willing to continue to serve as a field test site for the NMS systems to achieve this goal.



The Mission has begun to initiate a number of less intensive management modes to accommodate staff reductions. Steps being taken include: (a) assessing and addressing more systematically the management burden aspect of new designs; (b) consolidating management units through larger, more focused result packages (e.g., infrastructure and small business activities); (c) minimizing the number of contracts and grants to manage; (d) making greater use of long-term IQC and other already competed contracts; (e) contracting out even more monitoring and supervision for infrastructure and selected institutional development activities; (f) focusing on fewer, more critical policy reform measures; and (g) responding to key constraints or priorities while phasing out marginal activities. In addition, the Mission is exploring how endowments may be used more extensively to reduce staff requirements over the longer term as well as sustain worthy NGO programs. Shifting program and operation modes takes time and more effort initially. It also requires sufficiently capable Government of Egypt and NGO institutions to absorb more of the management burden. Thus, substantial staff savings are not expected immediately.

The news of a cut of \$500,000 in the trust fund level for FY 1999 will put increasing pressure on funding for the current FSN/USPSC workforce, especially since planned OE savings from the move to a new office building will not occur until FY 2000. Financing the three IDIs will also put pressure on operational expense resources. From a cost perspective, the Mission realizes no real cost savings by cutting OE trust funds that indirectly put pressure on resources for staffing. All budget reductions for the FSN workforce and support costs for USDHs result in virtually no savings in appropriated OE or program dollars. Maintaining the existing knowledgeable FSN level at 281 is important for USAID to absorb the impact of USDH cuts effectively and strengthen existing FSN capacity in a reasonably systematic way.

#### E. Operating Expense (OE)

##### 1. Overview

USAID/Egypt is submitting both target and request levels for FY 1999. The request exceeds the target by \$1.254 million dollars, which represents the cost for electronic equipment procurement. The estimated cost for the replacement of existing equipment by that which is compatible with the year 2000 requirement is \$500,000. The estimated cost for procuring equipment associated with the move to the new office building (e.g., scanners, printers, data show equipment, etc.), including equipment needed to maintain operations at two separate locations for a period of time, is \$604,000 plus freight costs of \$150,000. Without the additional FY 1999 funding, the Mission's ability to operate within year 2000 guidelines and move to the new office building efficiently will be seriously affected. Furthermore, these costs cannot be deferred to FY 2000.

A principal assumption underlying the FY 1999 and FY 2000 budgets is that the Egyptian Pound (LE) will remain stable, with no variation in exchange rate. In prior years the Mission projected the depreciation of the LE against the dollar, which did not materialize. Egyptian foreign exchange reserves and earnings remain high and a devaluation is not anticipated over the near term. The Mission would be required to budget as many procurement costs as possible for FY 1998 and defer other procurement to FY 2000 in order to reach the FY 1999 target level. The FY 2000 budget includes the added deferred procurement costs plus costs associated with the move to the new building, which are not directly a part of the construction -- e.g, furniture, equipment, etc.

FSN payroll costs and costs such as guard services, which are tied to the local compensation plan, are expected to rise by 10 percent annually in FY 1999 and FY 2000 because of step increases and promotions. Other local currency-denominated costs are expected to rise by 7 percent annually. The combined increases result in an inflation rate of more than 7 percent for local currency costs. Trust fund projections contain a mix of dollar and local currency expenses since the Mission continues to fund large amounts of dollar expenses through the trust fund (by selling LE to the U.S. Treasury in exchange for dollars). A summary of the budget follows:

**OPERATING EXPENSE BUDGET (\$000)**

	FY 98	Target FY 99	Request FY 99	FY 00
Dollar Appropriation	1,759.2	1,847.8	1,847.8	2,121.4
Trust Fund (\$ Equiv.)	29,427.8	18,835.5	20,089.5	16,995.7
Total	<u>31,187.0</u>	<u>20,683.3</u>	<u>21,937.3</u>	<u>19,117.1</u>
Less:				
ICASS	1,178.2	1,247.8	1,247.8	1,321.4
New Office Building Estimates	<u>13,367.8</u>	<u>3,281.3</u>	<u>3,281.3</u>	<u>517.4</u>
Net Dollar Approp.	581.0	600.0	600.0	800.0
Net Trust Fund Equiv.	<u>16,060.0</u>	<u>15,554.2</u>	<u>16,808.2</u>	<u>16,478.3</u>
Net Total	<u>16,641.0</u>	<u>16,154.2</u>	<u>17,408.2</u>	<u>17,278.3</u>

2. New Office Building (NOB)

The budget includes the cost of construction of a new USAID office building spread over several years. The most recent estimate puts the total cost at \$23.9 million, which will be funded entirely through the trust fund. A total of \$6.7 million has been obligated through FY 1997 for the NOB; \$13.4 million is expected to be obligated in FY 1998. Projected obligations for FY 1999 are \$3.3 million. Accordingly, the Mission will need additional authority prior to FY 1999 to use the additional \$3.3 million to complete the project.

3. ICASS

The post's ICASS Council is established and functioning. USAID deputy director and the deputy chief of the Office of Military Cooperation co-chair the Council. Those involved are becoming more familiar with the concept and are actively reviewing services and associated costs. The Council has a six-month action plan to review staffing, establish a capital fund, distribute overhead costs, and identify administrative procedures which will help meet the challenge of implementing this system in this post, the largest, worldwide.

USAID has set up an internal Working Group as well and has been able to reduce USAID's projected FY 1998 share of virtual ICASS costs from that of FY 1997 by 20 percent -- i.e. from \$1.5 million to \$1.2 million. For FY 1999 and FY 2000 the ICASS estimates increase by only 6 percent annually, which is the inflation factor. The Mission has also withdrawn or curtailed use of some ICASS services (travel and FSN personnel management) but does not expect these changes to affect the budget until after the mid-year review. USAID is becoming more familiar with the latest version of the ICASS computer data base and is planning to review workload counts to verify the base of charges before the mid-year review. This review may result in the identification of additional staff requirements for USAID.

The Mission is also considering becoming a service provider in some limited areas, but a final decision has not yet been made. If such a service were undertaken, a private sector organization under USAID supervision would be used. One local hire USPSC at a cost of \$25,000 may be needed to oversee this function. The Mission has opted not to reflect additional budgetary implications in this presentation because of the uncertainty at this time.

4. Regional Support Role

The budget includes travel costs associated with current backstopping responsibilities for providing regional program support to a number of posts. Over the past year the Mission has assumed accounting responsibilities for Oman and Yemen in addition to providing accounting support to Rome, Tunis and Israel as well as to the African Club de Sahel and PPC/OECD in Paris. These regional responsibilities for program, legal and contracting in addition to accounting pose a significant workload on the Mission. The budget includes \$75,000 annually for this expense. Of course, these costs must be absorbed within the dollar-appropriated funding since the activities are not in support of the Egypt program.

TABLE 1

## USAID FY 1998 BUDGET REQUEST BY PROGRAM/COUNTRY

Country/Program: EGYPT

Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	FY 1998 Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
<b>S.O. 1, Accelerated Private Sector Led, Export-Oriented Economic Growth</b>																		
	ESF	Bilateral Field Spt	1,490,837	693,500	1,000	86,150	585,150						9,200	12,000	799,331	3,260,000	281,250	2004
	Total		1,490,837	693,500	1,000	86,150	585,150	0	0	0	0		9,200	12,000			281,250	
<b>S.O. 2, Increased Participation of Girls in Quality Basic Education</b>																		
	ESF	Bilateral Field Spt	24,630	0	0										3,600	65,000	10,000	2001
	Total		24,630	0	0			0	0	0	0		0	0			10,000	
<b>S.O. 3, Increased Citizen Participation in Public Decision Making</b>																		
	ESF	Bilateral Field Spt	27,113	15,000										15,000	32,453	135,000	25,000	2004
	Total		27,113	15,000	0	0	0	0	0	0	0	0	0	15,000			25,000	
<b>S.O. 4, Reduced Fertility</b>																		
	ESF	Bilateral Field Spt	24,133	20,067				20,067					0		22,131	159,000	70,290	2004
	Total		24,133	20,067	0	0	0	20,067	0	0	0	0	0	0			70,290	
<b>S.O. 5, Sustainable Improvements in the Health of Women and Children</b>																		
	ESF	Bilateral Field Spt	78,606	32,000					21,750	900	100	9,250			54,419	242,500	95,000	2004
	Total		78,606	32,000	0	0	0	0	21,750	900	100	9,250	0	0			95,000	
<b>S.O. 6, Increased Access to Sustainable Water and Wastewater Services</b>																		
	ESF	Bilateral Field Spt	480,933	55,823					2,791			2,791	50,241		152,786	800,000	252,677	2004
	Total		480,933	55,823	0	0	0	0	2,791	0	0	2,791	50,241	0			252,677	
<b>S.O. 7, Reduced Generation of Air Pollution</b>																		
	ESF	Bilateral Field Spt	44,842	76,000									76,000		42,146	241,000	56,000	2002
	Total		44,842	76,000	0	0	0	0	0	0	0	0	76,000	0			56,000	
<b>S.O. 8, Natural Resources Managed for Environmental Sustainability</b>																		
	ESF	Bilateral Field Spt	0	14,000									14,000		3,500	54,000	14,000	2002
	Total		0	14,000	0	0	0	0	0	0	0	0	14,000	0			14,000	

TABLE 1 (Cont'd)

## USAID FY 1998 BUDGET REQUEST BY PROGRAM/COUNTRY

Country/Program: EGYPT

Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	FY 1998 Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
<b>Sp.O. A, Increased Use of Egyptian Universities in Quality, Demand Driven Applied Research</b>																		
	ESF	Bilateral Field Spt	13,251	2,000	2,000										5,510	5,000	0	1998
	Total		13,251	2,000	2,000	0	0	0	0	0	0	0	0	0			0	
<b>Sp.O. B, Increased Use of Information Services by the Legislature in Decision Making</b>																		
	ESF	Bilateral Field Spt	7,013	0											2,688	3,000	0	1997
	Total		7,013	0	0	0	0	0	0	0	0	0	0	0			0	
<b>Sp.O. C, Improved Civil Legal System</b>																		
	ESF	Bilateral	5,318	4,000										4,000	5,318	18,000	0	1999

<b>FY 1998 Request Sector Totals -- DA</b>		
Econ Growth		674,300
[Of which Microenterprise]		15,000
HCD		
PHN		57,649
Environment		149,441
[Of which Biodiversity]		
Democracy		31,000
Humanitarian		0

FY 2001 Target Program Level	815,000
FY 2002 Target Program Level	815,000
FY 2003 Target Program Level	815,000

TABLE 2

## USAID FY 1999 BUDGET REQUEST BY PROGRAM/COUNTRY

Country/Program: EGYPT

Scenario: Base Level

S.O. #, Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	FY 1999 Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 99	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
<b>S.O. 1, Accelerated Private Sector Led, Export-Oriented Economic Growth</b>																		
	ESF	Bilateral	1,385,006	619,700	18,000	89,500	501,130						1,870	9,200	919,129	3,260,000	281,250	2004
		Field Spt		0														
	Total		1,385,006	619,700	18,000	89,500	501,130	0	0	0	0	0	1,870	9,200			281,250	
<b>S.O. 2, Increased Participation of Girls in Quality Basic Education</b>																		
	ESF	Bilateral	21,030	10,000	10,000										13,000	65,000	10,000	2001
		Field Spt		0														
	Total		21,030	10,000	10,000		0	0	0	0	0	0	0	0			10,000	
<b>S.O. 3, Increased Citizen Participation in Public Decision Making</b>																		
	ESF	Bilateral	9,660	25,000										25,000	32,160	135,000	25,000	2004
		Field Spt		0													0	
	Total		9,660	25,000	0		0	0	0	0	0	0	0	25,000			25,000	
<b>S.O. 4, Reduced Fertility</b>																		
	ESF	Bilateral	22,069	22,000				22,000					0		28,000	159,000	70,290	2004
		Field Spt		0														
	Total		22,069	22,000	0		0	22,000	0	0	0	0	0	0			70,290	
<b>S.O. 5, Sustainable Improvements in the Health of Women and Children</b>																		
	ESF	Bilateral	56,187	32,500					21,000	1,350	150	10,000			43,743	242,500	95,000	2004
		Field Spt		0														
	Total		56,187	32,500	0		0	0	21,000	1,350	150	10,000	0	0			95,000	
<b>S.O. 6, Increased Access to Sustainable Water and Wastewater Services</b>																		
	ESF	Bilateral	383,970	50,000					2,500			2,500		45,000	227,205	800,000	252,677	2004
		Field Spt		0														
	Total		383,970	50,000	0		0	0	2,500	0	0	2,500		45,000	0		252,677	
<b>S.O. 7, Reduced Generation of Air Pollution</b>																		
	ESF	Bilateral	78,696	37,000									37,000		74,200	241,000	56,000	2002
		Field Spt		0														
	Total		78,696	37,000	0		0	0	0	0	0	0	37,000	0			56,000	
<b>S.O. 8, Natural Resources Managed for Environmental Sustainability</b>																		
	ESF	Bilateral	10,500	13,000									13,000		11,500	54,000	14,000	2002
		Field Spt		0														
	Total		10,500	13,000	0		0	0	0	0	0	0	13,000	0			14,000	

TABLE 2 (Cont'd)

## USAID FY 1999 BUDGET REQUEST BY PROGRAM/COUNTRY

Country/Program: EGYPT

Scenario: Base Level

S.O. #, Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	FY 1999 Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 99	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
<b>Sp.O. A, Increased Use of Egyptian Universities in Quality, Demand Driven Applied Research</b>																		
	ESF	Bilateral	9,741	0									0		9,390	5,000	0	1998
		Field Spt		0														
	Total		9,741	0	0		0	0	0	0	0	0	0	0			0	
<b>Sp.O. B, Increased Use of Information Services by the Legislature in Decision Making</b>																		
	ESF	Bilateral	4,325	0									0		3,641	3,000	0	1997
		Field Spt		0														
	Total		4,325	0	0		0	0	0	0	0	0	0	0			0	
<b>Sp.O. C, Improved Civil Legal System</b>																		
	ESF	Bilateral	4,000	5,800										5,800	4,000	18,000	0	1999

FY 1999 Request Sector Totals -- DA		
Econ Growth		618,630
[Of which Microenterprise]		15,000
HCD		
PHN		59,500
Environment		96,870
[Of which Biodiversity]		
Democracy		40,000
Humanitarian		0

FY 2001 Target Program Level	815,000
FY 2002 Target Program Level	815,000
FY 2003 Target Program Level	815,000

TABLE 3

3/4/98

## USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

Country/Program: EGYPT

Scenario: Base Level

S.O. # , Title		Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 99	Estimated Total	FY 2000														Est. Expend. FY 00	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
						Basic Education	Agric.	Other Growth		Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health		Environ		D/G					
S.O. 1. Accelerated Private Sector Led, Export-Oriented Economic Growth																							
	ESF	Bilateral Field Spt	1,035,577	553,450		18,150	73,700	454,100								7,500	900,000	3,260,000	281,250	2004			
	Total		1,035,577	553,450		18,150	73,700	454,100	0	0		0	0		0	7,500			281,250				
S.O. 2. Increased Participation of Girls in Quality Basic Education																							
	ESF	Bilateral Field Spt	18,030	10,000		10,000										15,000	65,000	10,000	2001				
	Total		18,030	10,000		10,000		0		0		0	0		0			10,000					
S.O. 3. Increased Citizen Participation in Public Decision Making																							
	ESF	Bilateral Field Spt	2,500	30,000												30,000	2,500	135,000	25,000	2004			
	Total		2,500	30,000		0		0		0		0	0		0	30,000			25,000				
S.O. 4. Reduced Fertility																							
	ESF	Bilateral Field Spt	16,069	22,000					22,000						0		20,000	159,000	70,290	2004			
	Total		16,069	22,000		0		0	22,000	0		0	0		0	0			70,290				
S.O. 5. Sustainable Improvements in the Health of Women and Children																							
	ESF	Bilateral Field Spt	44,944	34,000						24,250	1,800	200	7,750				55,000	242,500	95,000	2004			
	Total		44,944	34,000		0		0		0	24,250	1,800	200	7,750	0	0			95,000				
S.O. 6. Increased Access to Sustainable Water and Wastewater Services																							
	ESF	Bilateral Field Spt	206,765	115,550						5,778			5,777		103,995		205,942	800,000	252,677	2004			
	Total		206,765	115,550		0		0		5,778		0	5,777		103,995	0			252,677				
S.O. 7. Reduced Generation of Air Pollution																							
	ESF	Bilateral Field Spt	41,496	37,000											37,000		27,000	241,000	56,000	2002			
	Total		41,496	37,000		0		0		0		0	0		37,000	0			56,000				
S.O. 8. Natural Resources Managed for Environmental Sustainability																							
	ESF	Bilateral Field Spt	12,000	13,000											13,000		13,000	54,000	14,000	2002			
	Total		12,000	13,000		0		0		0	0		0	0	13,000	0			14,000				

TABLE 3 (Cont.'d)

3/4/98

## USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

Country/Program: EGYPT

Scenario: Base Level

S.O. # , Title		Approp. Acct	Bilateral/F ield Support	Est. SO Pipeline End of FY 99	Estimated Total	FY 2000												Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
						Basic Education	Agric.	Other Growth		Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ		D/G			
Sp.O. A. Increased Use of Egyptian Universities in Quality, Demand Driven Applied Research																				
	ESF	Bilateral Field Spt	350	0		0									0	350	5,000	0	1998	
	Total		350	0		0		0		0		0	0		0			0		
Sp.O. B. Increased Use of Information Services by the Legislature in Decision Making																				
	ESF	Bilateral Field Spt	684	0											0	684	3,000	0	1997	
	Total		684	0		0		0		0		0	0		0			0		
Sp.O. C. Improved Civil Legal System																				
	ESF	Bilateral	5,800	0												4,000	18,000	0	1999	

		Field Spt		0															
	Total		5,800	0		0		0		0	0		0	0		0			0
Sp.O. D, Approaches to Sustainable Tourism Demonstrated																			
	ESF	Bilateral	0	0												0	50,000		0
		Field Spt		0															1996
	Total		0	0		0		0	0		0	0		0		0			0
Sp.O. E, Improved Human Capacity Development System Linked to Strategic Priority Areas																			
	ESF	Bilateral	10,623	0												10,623	117,000		0
		Field Spt		0															1996
	Total		10,623	0		0		0	0		0	0		0		0			0
Total Bilateral			1,394,838	815,000		28,150	73,700	454,100		22,000	30,028	1,800	200	13,527		153,995		37,500	1,254,099
Total Field Support				0		0		0		0	0		0	0		0		#VALUE!	
TOTAL PROGRAM			1,394,838	815,000		28,150	73,700	454,100		22,000	30,028	1,800	200	13,527		153,995		37,500	0
																			804,217

<b>FY 2000 Request Sector Totals -- ESF</b>		
Econ Growth	555,950	
[Of which Microenterprise]	15,000	
HCD		
PHN	67,555	
Environment	153,995	
[Of which Biodiversity]		
Democracy	37,500	
Humanitarian	0	

FY 2001 Target Program Level	815,000	0
FY 2002 Target Program Level	815,000	0
FY 2003 Target Program Level	815,000	0



Mission: Egypt  
Country Code: 263

**TABLE (4)**  
**GLOBAL FIELD SUPPORT**

FS23263.WK4

3/4/98

Mission Strategic Obj.	Activity Description	Global Project ^NO	Global Project/Activity Name (INCLUDE SUB Mission Appropriate)	Duration of Activity	Estimated Funding (\$000)						
					Fiscal Year 1998		Fiscal Year 1999		Fiscal Year 2000		
					Obligated By		Obligated By		Obligated By		
					Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	
S.O.1 Accelerated Private Sector-Led, Export-Oriented Economic Growth											
	Energy Sector As	TBD	TBD	Low	1 Year	0	0	0	0	200	0
	President's Council	TBD	TBD	High	3 Years	2,000	0	2,000	0	2,000	0
	Small & Emerging Growth Thru. Global	940-0406	MicroServe	High	2 Years	100	0	0	0	0	0
	Mid-Term Evaluation, Privatization Design	TBD	TBD	High	3 Year	3,000	0	3,000	0	3,000	0
		TBD	TBD	Medium	2 month	200	0	0	0	0	0
		940-0028	Pro Ent. Development Support (PEDS)	High	3 months	300	0	0	0	0	0
	Privatization Support	936-4212	SEGIR	High	3 Years	0	0	10,000	0	8,000	0
	Capital Markets Fund	940-0025	Privatization Financial Sector Development Project II	Medium	2 Years	0	0	500	0	500	0
	Water Policy Analysis	TBD	Environment. Policy Instit. Strengthening	High	3 Years	3,000	0	3,000	0	2,000	0
	Water Communication	TBD	Green Com.	High	2.5 Years	1,500	0	1,300	0	0	0
	EEA/TDC Export	TBD	TBD	Medium	3 Years	3,000	0	3,000	0	3,000	0
	Venture Capital Fund	TBD	TBD	Medium	3 months	300	0	0	0	0	0
	TOTAL					13,400	0	22,800	0	18,700	0
S.O. 2 Increased Participation of Girls in Quality Basic Education											
	Girls' and Women	936-5848	Girls' and Women	High	2 Years	1,000	0	1,000	0	0	0
	Global Communication	936-5846	Global Communications and Learning System activity	High	2 Years	1,078	0	1,000	0	0	0
	Learnlink Second	936-0225	Secretariat Support for the Partnership SC IV	High	3 Years	1,750	0	1,750	0	1,000	0
	TOTAL					3,828	0	3,750	0	1,000	0
S.O. 3 Increased Citizen Participation in Public Decision Making											

	Interim Workshop	TBD	World Learning I	Medium	2 Years	0	0	200	0	0	0
	Interim Evaluation	TBD	The Mitchell Gro	High	1.5 months	70	0	0	0	0	0
	<b>TOTAL</b>					<b>70</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>S.O. 4 Reduced Fertility</b>											
	Voluntary surgical	936-3068	Prog. for Volunta	High	1 Year	756	0	0	0	0	0
	New Policy Project	936-3078	The POLICY Proj	High	4 Years	1,000	0	1,000	0	800	0
	FP Log. Manager	936-3038	Family Planning	High	2 Years	200	0	200	0	0	0
	OPS Research in	936-3030	Strategy for Impr	High	2 Years	500	0	0	0	0	0
	Demographic and	936-3023	Demographic and	High	4 Years	500	0	500	0	0	0
	Contraceptive Re	936-3057	Central Contracep	High	4 Years	4,000	0	4,500	0	5,000	0
	<b>TOTAL</b>					<b>6,956</b>	<b>0</b>	<b>6,200</b>	<b>0</b>	<b>5,800</b>	<b>0</b>
<b>S.O. 5 Sustainable Improvements in the Health of Women and Children</b>											
	Maternal and Ne	936-5966.07	MotherCare II	High	1 Year	0	0	TBD	0	0	0
	Technical Support	936-5974.13	Partnership for H	High	5 Years	3,500	0	3,000	0	3,500	0
	T A for HIV/AIDS	936-5972	New G/PHN AID	High	3 Year	500	0	500	0	200	0
	T A for Schisto V	936-5968	Technologies for	High	4 Years	200	0	1,000	0	200	0
	<b>TOTAL</b>					<b>4,200</b>	<b>0</b>	<b>4,500</b>	<b>0</b>	<b>3,900</b>	<b>0</b>
<b>S.O. 6 Increased Access to Sustainable Water and Wastewater Service</b>											
	Final Evaluation	TBD	TBD	Medium	2 months	0	0	50	0	0	0
	Evaluation of Sec	TBD	TBD	Medium	2 months	150	0	0	0	0	0
	Public - Private P	TBD	TBD	High	2 Years	1,200	0	0	0	500	0
	Twinning	TBD	TBD	Low	2 months	0	0	0	0	500	0
	FORWARD- Wa	TBD	Fostering Resol	TBD		800	0	0	0	0	0
	<b>TOTAL</b>					<b>2,150</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>1,000</b>	<b>0</b>
<b>S.O.7 Reduced Generation of Air Pollution</b>											
	T.A. for EEPP Im	TBD	Environmental Policy & Institutional Strengthening	High	3 Years	1,000	0	2,000	0	2,000	0
	T.A. for Monitoring	936-5994	Environmental H	High	3 Years	0	0	1,000	0	1,000	0
	T.A. for EEPP Im	TBD	Energy & Environ	High	3 Years	500	0	500	0	500	0
	<b>TOTAL</b>					<b>1,500</b>	<b>0</b>	<b>3,500</b>	<b>0</b>	<b>3,500</b>	<b>0</b>
<b>S.O.8 Natural Resources Managed for Environmental Sustainability</b>											
	<b>TOTAL</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Sp.O. A Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research</b>										
						0	0	0	0	0
	<b>TOTAL</b>					0	0	0	0	0
<b>Sp.O. B Increased Use of Information Services by the Legislature in Decision Making</b>										
	<b>TOTAL</b>					0	0	0	0	0
<b>Sp.O. C Improved Civil Legal System</b>										
	Evaluation of AO 936-5468	General Rule of I	Medium	1.5 months	30	0	0	0	0	0
	<b>TOTAL</b>				30	0	0	0	0	0
<b>Sp. O. D Approaches to Sustainable Tourism Demonstrated</b>										
	<b>TOTAL</b>					0	0	0	0	0
<b>Sp.O. E Improved Human Capacity Development System Linked to Strategic Priority Areas</b>										
	Development Training II/Distance Learning and Telecommunication in Support of Participant Training	936-5846	Global Communication and Learning Systems IQC (LEARNLINK)	Medium	2 Years	500	0	350	0	0
	<b>TOTAL</b>					500	0	350	0	0
	<b>OPERATING UNIT TOTAL</b>					32,634	0	41,350	0	33,900

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TABLE 5 (B)

Org. Title: Org. No: OC		USAID/CAIRO-EGYPT 263											
		FY 97			FY 98			Requested FY 99			Targeted FY 99		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	<b>Personnel compensation, full-time permanent</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balance	0.0	1,348.0	1,348.0	0.0	1,440.5	1,440.5	0.0	1,610.5	1,610.5	0.0	1,610.5	1,610.5
	<b>Subtotal OC 11.1</b>	0.0	1,348.0	1,348.0	0.0	1,440.5	1,440.5	0.0	1,610.5	1,610.5	0.0	1,610.5	1,610.5
11.3	<b>Personnel comp. - other than full-time permanent</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Subtotal OC 11.3</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	<b>Other personnel compensation</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	<b>USDH</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	<b>FNDH</b>	0.0	35.5	35.5	0.0	37.9	37.9	0.0	42.4	42.4	0.0	42.4	42.4
	<b>Subtotal OC 11.5</b>	0.0	35.5	35.5	0.0	37.9	37.9	0.0	42.4	42.4	0.0	42.4	42.4
11.8	<b>Special personal services payments</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	10.0	494.8	504.8	10.0	502.8	512.8	18.0	392.0	410.0	18.0	392.0	410.0
11.8	FN PSC Salaries	0.0	3,184.7	3,184.7	0.0	3,044.4	3,044.4	0.0	3,403.8	3,403.8	0.0	3,403.8	3,403.8
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Subtotal OC 11.8</b>	10.0	3,679.5	3,689.5	10.0	3,547.2	3,557.2	18.0	3,795.8	3,813.8	18.0	3,795.8	3,813.8
12.1	<b>Personnel benefits</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	<b>USDH benefits</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowance	0.0	778.5	778.5	0.0	767.0	767.0	0.0	805.3	805.3	0.0	805.3	805.3
12.1	Cost of Living Allowance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.1	Home Service Allowance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.1	Quarters Allowance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.1	Other Misc. USDH	0.0	96.0	96.0	0.0	45.0	45.0	0.0	105.1	105.1	0.0	105.1	105.1
12.1	<b>FNDH Benefits</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FNDH	0.0	231.8	231.8	0.0	247.7	247.7	0.0	276.9	276.9	0.0	276.9	276.9
12.1	Other FNDH Benefits	0.0	79.1	79.1	0.0	84.5	84.5	0.0	94.5	94.5	0.0	94.5	94.5
12.1	<b>US PSC Benefits</b>	10.0	44.7	54.7	10.0	45.4	55.4	10.0	36.7	46.7	10.0	36.7	46.7
12.1	<b>FN PSC Benefits</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FN PSC	0.0	72.4	72.4	0.0	77.4	77.4	0.0	86.5	86.5	0.0	86.5	86.5
12.1	Other FN PSC Benefits	0.0	239.7	239.7	0.0	240.1	240.1	0.0	268.4	268.4	0.0	268.4	268.4
12.1	<b>IPA/Detail-In/PASA/RSSA Benefits</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Subtotal OC 12.1</b>	10.0	1,542.2	1,552.2	10.0	1,507.1	1,517.1	10.0	1,673.4	1,683.4	10.0	1,673.4	1,683.4
13.0	<b>Benefits for former personnel</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	<b>FNDH</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.0	Other Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.0	<b>FN PSCs</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.0	Other Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Subtotal OC 13.0</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	<b>Travel and transportation of persons</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	<b>Training Travel</b>	0.0	91.8	91.8	0.0	94.5	94.5	0.0	102.6	102.6	0.0	102.6	102.6
21.0	<b>Mandatory/Statutory Travel</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel	30.5	35.0	65.5	5.3	37.5	42.8	50.6	32.5	83.1	50.6	32.5	83.1
21.0	Assignment to Home	30.5	35.0	65.5	5.3	37.5	42.8	31.3	51.8	83.1	31.3	51.8	83.1
21.0	Home Leave Travel	8.2	290.0	298.2	18.4	93.8	112.2	54.8	187.7	242.5	54.8	187.7	242.5
21.0	R & R Travel	40.4	100.0	140.4	14.1	281.5	295.6	24.4	93.8	118.2	24.4	93.8	118.2

21.0	Education Travel	0.0	70.0	70.0	0.0	69.0	69.0	0.0	72.4	72.4	0.0	72.4	72.4
21.0	Evacuation Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Retirement Travel	30.4	30.0	60.4	5.1	37.5	42.6	31.2	51.8	83.0	31.2	51.8	83.0
21.0	Pre-Employment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Other Mandator	0.0	78.0	78.0	0.0	88.2	88.2	0.0	94.4	94.4	0.0	94.4	94.4
21.0	<b>Operational Travel</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters	0.0	44.7	44.7	0.0	53.6	53.6	0.0	56.3	56.3	0.0	56.3	56.3
21.0	Site Visits - Missions	114.9	268.9	383.8	137.9	313.4	451.3	144.8	319.9	464.7	144.8	319.9	464.7
21.0	Conferences/Seminars	0.0	93.1	93.1	0.0	111.8	111.8	0.0	117.3	117.3	0.0	117.3	117.3
21.0	Assessment Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Impact Evaluation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Disaster Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Recruitment Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Other Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal OC 21.0</b>		254.9	1,136.5	1,391.4	186.1	1,218.3	1,404.4	337.1	1,180.5	1,517.6	337.1	1,180.5	1,517.6
22.0	<b>Transportation of things</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	73.4	326.8	400.2	40.0	109.4	149.4	46.9	363.6	410.5	46.9	363.6	410.5
22.0	Home Leave Freight	15.0	81.6	96.6	9.4	27.9	37.3	14.1	65.5	79.6	14.1	65.5	79.6
22.0	Retirement Freight	36.6	163.2	199.8	39.7	109.4	149.1	46.9	363.6	410.5	46.9	363.6	410.5
22.0	Transportation/Freight for Office Furniture	15.0	101.0	116.0	16.9	319.1	336.0	15.7	40.2	55.9	15.7	40.2	55.9
22.0	Transportation/Freight for Res. Furniture/E	15.0	57.5	72.5	15.0	48.3	63.3	16.0	44.0	60.0	16.0	44.0	60.0
<b>Subtotal OC 22.0</b>		155.0	730.1	885.1	121.0	614.1	735.1	139.6	876.9	1,016.5	139.6	876.9	1,016.5
23.2	<b>Rental payments to others</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	0.0	1,577.3	1,577.3	0.0	1,576.8	1,576.8	0.0	1,576.3	1,576.3	0.0	1,576.3	1,576.3
23.2	Rental Payments to Others - Warehouse Space	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.2	Rental Payments to Others - Residences	0.0	1,347.8	1,347.8	0.0	1,260.8	1,260.8	0.0	1,194.4	1,194.4	0.0	1,194.4	1,194.4
<b>Subtotal OC 23.2</b>		0.0	2,925.1	2,925.1	0.0	2,837.6	2,837.6	0.0	2,770.7	2,770.7	0.0	2,770.7	2,770.7
23.3	<b>Communications, utilities, and miscellaneous charges</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	0.0	194.1	194.1	0.0	207.4	207.4	0.0	221.8	221.8	0.0	221.8	221.8
23.3	Residential Utilities	0.0	204.7	204.7	0.0	205.2	205.2	0.0	219.5	219.5	0.0	219.5	219.5
23.3	Telephone Costs	0.0	123.5	123.5	0.0	132.0	132.0	0.0	141.2	141.2	0.0	141.2	141.2
23.3	ADP Software Leases	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.3	ADP Hardware Lease	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.3	Commercial Time Sharing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.3	Postal Fees (Other than APO Mail)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.3	Other Mail Service Costs	0.0	2.2	2.2	0.0	2.5	2.5	0.0	2.8	2.8	0.0	2.8	2.8
23.3	Courier Services	0.0	6.0	6.0	0.0	6.6	6.6	0.0	7.3	7.3	0.0	7.3	7.3
<b>Subtotal OC 23.3</b>		0.0	530.5	530.5	0.0	553.7	553.7	0.0	592.6	592.6	0.0	592.6	592.6
24.0	<b>Printing and Reproduction</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal OC 24.0</b>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1	<b>Advisory and assistance services</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	0.0	26.3	26.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1	Management & Professional Support Services	0.0	249.6	249.6	0.0	266.7	266.7	0.0	285.3	285.3	0.0	285.3	285.3
25.1	Engineering & Technical Services	0.0	2.9	2.9	0.0	885.7	885.7	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal OC 25.1</b>		0.0	278.8	278.8	0.0	1,152.4	1,152.4	0.0	285.3	285.3	0.0	285.3	285.3
25.2	<b>Other services</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	0.0	290.6	290.6	0.0	310.5	310.5	0.0	347.2	347.2	0.0	347.2	347.2
25.2	Residential Security Guard Services	0.0	130.0	130.0	0.0	138.9	138.9	0.0	155.3	155.3	0.0	155.3	155.3
25.2	Official Residential Expenses	3.2	0.0	3.2	3.2	0.0	3.2	3.2	0.0	3.2	3.2	0.0	3.2
25.2	Representation Allowances	3.0	0.0	3.0	3.0	0.0	3.0	3.0	0.0	3.0	3.0	0.0	3.0
25.2	Non-Federal Audits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Grievances/Investigations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

25.2	Insurance and Vehicle Registration Fees	0.0	2.8	2.8	0.0	3.7	3.7	0.0	4.9	4.9	0.0	4.9	4.9
25.2	Vehicle Rental	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Manpower Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Records Declassification & Other Records	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Recruiting activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Penalty Interest Payments	0.0	2.0	2.0	0.0	3.0	3.0	0.0	4.0	4.0	0.0	4.0	4.0
25.2	Other Miscellaneous Services	0.0	71.1	71.1	0.0	124.8	124.8	0.0	78.8	78.8	0.0	78.8	78.8
25.2	Staff training contracts	0.0	248.2	248.2	0.0	255.5	255.5	0.0	277.4	277.4	0.0	277.4	277.4
25.2	ADP related contracts	0.0	28.8	28.8	0.0	125.0	125.0	0.0	30.0	30.0	0.0	30.0	30.0
<b>Subtotal OC 25.2</b>		6.2	773.5	779.7	6.2	961.4	967.6	6.2	897.6	903.8	6.2	897.6	903.8
25.3	<b>Purchase of goods and services from Government accounts</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	826.2	0.0	826.2	1,366.9	0.0	1,366.9	1,448.9	0.0	1,448.9	1,448.9	0.0	1,448.9
25.3	All Other Services from Other Gov't. accot.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal OC 25.3</b>		826.2	0.0	826.2	1,366.9	0.0	1,366.9	1,448.9	0.0	1,448.9	1,448.9	0.0	1,448.9
25.4	<b>Operation and maintenance of facilities</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	0.0	155.8	155.8	0.0	117.0	117.0	0.0	123.6	123.6	0.0	123.6	123.6
25.4	Residential Building Maintenance	0.0	446.5	446.5	0.0	435.8	435.8	0.0	460.3	460.3	0.0	460.3	460.3
<b>Subtotal OC 25.4</b>		0.0	602.3	602.3	0.0	552.8	552.8	0.0	583.9	583.9	0.0	583.9	583.9
25.6	<b>Medical Care</b>	0.0	20.0	20.0	0.0	22.0	22.0	0.0	24.2	24.2	0.0	24.2	24.2
<b>Subtotal OC 25.6</b>		0.0	20.0	20.0	0.0	22.0	22.0	0.0	24.2	24.2	0.0	24.2	24.2
25.7	<b>Operation/maintenance of equipment &amp; storage of goods</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and mainten	0.0	151.2	151.2	0.0	142.0	142.0	0.0	160.0	160.0	0.0	160.0	160.0
25.7	Storage Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7	Office Furniture/Equip. Repair and Mainte	0.0	63.3	63.3	0.0	62.4	62.4	0.0	64.8	64.8	0.0	64.8	64.8
25.7	Vehicle Repair and Maintenance	0.0	2.1	2.1	0.0	2.3	2.3	0.0	2.4	2.4	0.0	2.4	2.4
25.7	Residential Furniture/Equip. Repair and M	13.7	108.5	122.2	13.9	103.2	117.1	11.6	108.2	119.8	11.6	108.2	119.8
<b>Subtotal OC 25.7</b>		13.7	325.1	338.8	13.9	309.9	323.8	11.6	335.4	347.0	11.6	335.4	347.0
25.8	<b>Substance and support of persons (by contract or Gov't.)</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal OC 25.8</b>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	<b>Supplies and materials</b>	63.3	522.5	585.8	75.0	330.5	405.5	85.0	377.0	462.0	85.0	377.0	462.0
<b>Subtotal OC 26.0</b>		63.3	522.5	585.8	75.0	330.5	405.5	85.0	377.0	462.0	85.0	377.0	462.0
31.0	<b>Equipment</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	31.6	229.4	261.0	80.2	139.3	219.5	25.0	184.2	209.2	25.0	184.2	209.2
31.0	Purchase of Office Furniture/Equip.	28.5	126.5	155.0	20.6	259.8	280.4	23.1	55.8	78.9	23.1	55.8	78.9
31.0	Purchase of Vehicles	40.0	74.0	114.0	28.0	76.0	104.0	20.0	68.0	88.0	20.0	68.0	88.0
31.0	Purchase of Printing/Graphics Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31.0	ADP Hardware purchases	71.8	558.6	630.4	5.0	600.0	605.0	5.0	100.0	105.0	5.0	100.0	105.0
31.0	ADP Software purchases	9.0	100.0	109.0	25.0	100.0	125.0	20.0	100.0	120.0	20.0	100.0	120.0
<b>Subtotal OC 31.0</b>		180.9	1,088.5	1,269.4	158.8	1,175.1	1,333.9	93.1	508.0	601.1	93.1	508.0	601.1
32.0	<b>Lands and structures</b>	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& construc	0.0	6,014.7	6,014.7	0.0	8,628.6	8,628.6	0.0	472.2	472.2	0.0	472.2	472.2
32.0	Purchase of fixed equipment for buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32.0	Building Renovations/Alterations - Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32.0	Building Renovations/Alterations - Residen	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal OC 32.0</b>		0.0	6,014.7	6,014.7	0.0	8,628.6	8,628.6	0.0	472.2	472.2	0.0	472.2	472.2
42.0	<b>Claims and indemnities</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL BUDGET	1,520.2	21,552.8	23,073.0	1,947.9	24,889.1	26,837.0	2,149.5	16,026.4	18,175.9	2,149.5	16,026.4	18,175.9

The following line is to be used to show your estimate of FY 98 and FY 99 Program Funded ICASS costs.

Enter dollars in thousands - same format as above.

	FY 98 Est.	FY 99 Est.
ICASS - Progra	159.2	168.8

**TABLE 6.A****Workforce Resources****FY 1997 Position Allocation of Staff Ceilings****Organization: USAID/EGYPT**

														Support Offices									
Staff	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Strategic Objective 5	Strategic Objective 6	Strategic Objective 7	Special Objective A	Special Objective B	Special Objective C	Special Objective D	Special Objective E	Subtotal S.O. Staff	Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff	
USDH	29	4	2.5	5	6.5	9.5	6	0.5	1	1.5	2.5	2	70	3	1	2	1	1	3		11	81	
USPSC (OE/TF) Internationa lly Recruited													0			2					2	2	
USPSC (OE/TF) Locally Recruited	1												1			4			1	1	6	7	
USPSC (Program Funded)	5		1	1	1								8		1				1		2	10	
FSN/TCN Direct Hire (OE/TF) Internationa lly Recruited													0								0	0	
FSN/TCN Direct Hire (OE/TF) Locally Recruited	22	1		4	3	1	2	1			1	3	38		5	13	1		2	1	22	60	
FSN/TCN Non-Direct Hire (OE/TF) Internationa lly Recruited													0								0	0	
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	44	6	8.5	7	7	15	4	2	4	3	2	4.5	107	1	5	73	1	1	5	2	88	195	
FSN/TCN Non-Direct Hire (Program Funded)	6		2		1	6				2		3	20		6						6	26	
Other (RSSA, PASA, IPA) (OE/TF Funded)													0								0	0	
Other (RSSA, PASA, IPA) (Program Funded)	2				1								3								0	3	
Total Staff by Objective	109	11	14	17	19.5	31.5	12	3.5	5	6.5	5.5	12.5	247	4	18	94	3	2	12	4	137	384	
TAACs*																							
Fellows*																							

Strategic Objective 1: Accelerated Private Sector-Led Export-Oriented Economic Growth

Strategic Objective 2: Increased Participation of Girls in Quality Basic Education

Strategic Objective 3: Increased Citizen Participation in Public Decision Making

Strategic Objective 4: Reduced Fertility

Strategic Objective 5: Sustainable Improvements in the Health of Women and Children

Strategic Objective 6: Increased Access to Sustainable Water and Wastewater Service

Strategic Objective 7: Reduced Generation of Air Pollution

Special Objective A: Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research

Special Objective B: Increased Use of Information Services by the Legislature in Decision Making

Special Objective C: Improved Civil Legal System

Special Objective D: Approaches to Sustainable Tourism Demonstrated

Special Objective E: Improved Human Capacity Development System Linked to Strategic Priority Areas



**TABLI 6.B**

**Totals by Staffing Catagory - FY 1997 Ceiling**

														Support Offices								
Staff	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Strategic Objective 5	Strategic Objective 6	Strategic Objective 7	Special Objective A	Special Objective B	Special Objective C	Special Objective D	Special Objective E	Subtotal S.O. Staff	Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Progra m	Other	Subtotal Support Staff	Grand Total Staff
USDH	29	4	2.5	5	6.5	9.5	6	0.5	1	1.5	2.5	2	70	3	1	2	1	1	3	0	11	81
USPSC (OE/TF)	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	6	0	0	1	1	8	9
USPSC (Program Funded)	5	0	1	1	1	0	0	0	0	0	0	0	8	0	1	0	0	0	1	0	2	10
Total USPSCs	6	0	1	1	1	0	0	0	0	0	0	0	9	0	1	6	0	0	2	1	10	19
FSN/TCN Direct Hire (OE/TF)	22	1	0	4	3	1	2	1	0	0	1	3	38	0	5	13	1	0	2	1	22	60
FSN/TCN Non Direct Hire (OE/TF)	44	6	8.5	7	7	15	4	2	4	3	2	4.5	107	1	5	73	1	1	5	2	88	195
FSN/TCN Non Direct Hire (Program Funded)	6	0	2	0	1	6	0	0	0	2	0	3	20	0	6	0	0	0	0	0	6	26
Total FSN/TCN Non Direct Hire	50	6	10.5	7	8	21	4	2	4	5	2	7.5	127	1	11	73	1	1	5	2	94	221
Total FSN/TCN (OE/TF)	66	7	8.5	11	10	16	6	3	4	3	3	7.5	145	1	10	86	2	1	7	3	110	255
Total FSN/TCN (Program Funded)	6	0	2	0	1	6	0	0	0	2	0	3	20	0	6	0	0	0	0	0	6	26
Total FSN/TCN Staff	72	7	10.5	11	11	22	6	3	4	5	3	10.5	165	1	16	86	2	1	7	3	116	281
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	2	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	3
Total FSN/TCN Staff	2	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	3
Total OE/TF Staff (includes USDH)	96	11	11	16	16.5	25.5	12	3.5	5	4.5	5.5	9.5	216	4	11	94	3	2	11	4	129	345
Total Program Funded Staff	13	0	3	1	3	6	0	0	0	2	0	3	31	0	7	0	0	0	1	0	8	39
Grand Total All Staff	109	11	14	17	19.5	31.5	12	3.5	5	6.5	5.5	12.5	247	4	18	94	3	2	12	4	137	384

Strategic Objective 1: Accelerated Private Sector-Led Export-Oriented Economic Growth  
 Strategic Objective 2: Increased Participation of Girls in Quality Basic Education  
 Strategic Objective 3: Increased Citizen Participation in Public Decision Making  
 Strategic Objective 4: Reduced Fertility  
 Strategic Objective 5: Sustainable Improvements in the Health of Women and Children  
 Strategic Objective 6: Increased Access to Sustainable Water and Wastewater Service  
 Strategic Objective 7: Reduced Generation of Air Pollution  
 Special Objective A: Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research  
 Special Objective B: Increased Use of Information Services by the Legislature in Decision Making  
 Special Objective C: Improved Civil Legal System  
 Special Objective D: Approaches to Sustainable Tourism Demonstrated  
 Special Objective E: Improved Human Capacity Development System Linked to Strategic Priority Areas

**Notes:**

\* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

**TABLE 7.A**

**Workforce Resources**  
**FY 1998 Position Allocation of Staff Ceilings**

Organization: USAID/EGYPT

														Support Offices								
Staff	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Strategic Objective 5	Strategic Objective 6	Strategic Objective 7	Special Objective A	Special Objective B	Special Objective C	Special Objective D	Special Objective E	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	25	4	2.5	5	6.5	9	6	0.5	1	1	2.5	2	65	3	1	2	1	1	3		11	76
USPSC (OETD)													0			2	0				2	2
USPSC (OETD)	1												1			4			1	1	6	7
USPSC /Program	5		1	1	1								8		1					1	2	10
FSN/TCN Direct Hire													0								0	0
FSN/TCN Direct Hire	22	1		4	3	1	2	1			1	3	38		5	13	1		2	1	22	60
FSN/TCN Non-Direct													0								0	0
FSN/TCN Non-Direct	44	6	8.5	7	7	15	4	2	4	3	2	4.5	107	1	5	73	1	1	5	2	88	195
FSN/TCN Non-Direct	6		2		1	6				2		3	20		6						6	26
Other (RSSA)													0								0	0
Other (RSSA)	2				1								3								0	3
Total Staff by Objective	105	11	14	17	19.5	31	12	3.5	5	6	5.5	12.5	242	4	18	94	3	2	11	5	137	379
TAACs*																						
Fellows*																						

Strategic Objective 1: Accelerated Private Sector-Led Export-Oriented Economic Growth  
 Strategic Objective 2: Increased Participation of Girls in Quality Basic Education  
 Strategic Objective 3: Increased Citizen Participation in Public Decision Making  
 Strategic Objective 4: Reduced Fertility  
 Strategic Objective 5: Sustainable Improvements in the Health of Women and Children  
 Strategic Objective 6: Increased Access to Sustainable Water and Wastewater Service  
 Strategic Objective 7: Reduced Generation of Air Pollution  
 Special Objective A: Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research  
 Special Objective B: Increased Use of Information Services by the Legislature in Decision Making  
 Special Objective C: Improved Civil Legal System  
 Special Objective D: Approaches to Sustainable Tourism Demonstrated  
 Special Objective E: Improved Human Capacity Development System Linked to Strategic Priority Areas

**TABLE 7.B****Totals by Staffing Catagory- FY 1998 Ceiling**

														Support Offices								
Staff	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Strategic Objective 5	Strategic Objective 6	Strategic Objective 7	Special Objective A	Special Objective B	Special Objective C	Special Objective D	Special Objective E	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	25	4	2.5	5	6.5	9	6	0.5	1	1	2.5	2	65	3	1	2	1	1	3	0	11	76
USPSC (OE/TF)	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	6	0	0	1	1	8	9
USPSC (Program Funded)	5	0	1	1	1	0	0	0	0	0	0	0	8	0	1	0	0	0	0	1	2	10
Total USPSCs	6	0	1	1	1	0	0	0	0	0	0	0	9	0	1	6	0	0	1	2	10	19
FSN/TCN Direct Hire (OE/TF)	22	1	0	4	3	1	2	1	0	0	1	3	38	0	5	13	1	0	2	1	22	60
FSN/TCN Non Direct Hire (OE/TF)	44	6	8.5	7	7	15	4	2	4	3	2	4.5	107	1	5	73	1	1	5	2	88	195
FSN/TCN Non Direct Total	6	0	2	0	1	6	0	0	0	2	0	3	20	0	6	0	0	0	0	0	6	26
FSN/TCN Non Direct Hire	50	6	10.5	7	8	21	4	2	4	5	2	7.5	127	1	11	73	1	1	5	2	94	221
Total FSN/TCN (OE/TF)	66	7	8.5	11	10	16	6	3	4	3	3	7.5	145	1	10	86	2	1	7	3	110	255
Total FSN/TCN (Program Funded)	6	0	2	0	1	6	0	0	0	2	0	3	20	0	6	0	0	0	0	0	6	26
Total FSN/TCN Staff	72	7	10.5	11	11	22	6	3	4	5	3	10.5	165	1	16	86	2	1	7	3	116	281
Total Other (RSSA)		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (PSSA)	2	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	3
Total FSN/TCN Staff	2	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	3
Total OE/TF Staff (includes USDH)	92	11	11	16	16.5	25	12	3.5	5	4	5.5	9.5	211	4	11	94	3	2	11	4	129	340
Total Program Funded Staff	13	0	3	1	3	6	0	0	0	2	0	3	31	0	7	0	0	0	0	1	8	39
Grand Total All Staff	105	11	14	17	19.5	31	12	3.5	5	6	5.5	12.5	242	4	18	94	3	2	11	5	137	379

Strategic Objective 1: Accelerated Private Sector-Led Export-Oriented Economic Growth

Strategic Objective 2: Increased Participation of Girls in Quality Basic Education

Strategic Objective 3: Increased Citizen Participation in Public Decision Making

Strategic Objective 4: Reduced Fertility

Strategic Objective 5: Sustainable Improvements in the Health of Women and Children

Strategic Objective 6: Increased Access to Sustainable Water and Wastewater Service

Strategic Objective 7: Reduced Generation of Air Pollution

Special Objective A: Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research

Special Objective B: Increased Use of Information Services by the Legislature in Decision Making

Special Objective C: Improved Civil Legal System

Special Objective D: Approaches to Sustainable Tourism Demonstrated

Special Objective E: Improved Human Capacity Development System Linked to Strategic Priority Areas

**Notes:**

\* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism.

They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

TABLE 8.A

## Workforce Resources

## FY 1999 Position Allocation of Staff Target Levels

Organization: USAID/EGYPT

Staff	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Strategic Objective 5	Strategic Objective 6	Strategic Objective 7	Special Objective A	Special Objective B	Special Objective C	Special Objective D	Special Objective E	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
														Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other		
USDH	25	4	2.5	5	6.5	9	6	0.5	1	1	2.5	2	65	3	1	2	1	1	3		11	76
USPSC (OE/TF)													0			2	0				2	2
USPSC (OE/TF) Internationally Recruited	1												1			4			1	1	6	7
USPSC (OE/TF) Locally Recruited																						
USPSC (Program Funded)	5		1	1	1								8		1					1	2	10
FSN/TCN Direct Hire (OE/TF) Internationally													0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited	22	1		4	3	1	2	1			1	3	38		5	13	1		2	1	22	60
FSN/TCN Non-Direct Hire (OE/TF) Internationally													0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	44	6	8.5	7	7	15	4	2	4	3	2	4.5	107	1	5	73	1	1	5	2	88	195
FSN/TCN Non-Direct Hire (Program Funded)	6		2		1	6				2		3	20		6						6	26
Other (RSSA, PASA, IPA) (OE/TF Funded)													0								0	0
Other (RSSA, PASA, IPA) (Program Funded)	2				1								3								0	3
<b>Total Staff by</b>	<b>105</b>	<b>11</b>	<b>14</b>	<b>17</b>	<b>19.5</b>	<b>31</b>	<b>12</b>	<b>3.5</b>	<b>5</b>	<b>6</b>	<b>5.5</b>	<b>12.5</b>	<b>242</b>	<b>4</b>	<b>18</b>	<b>94</b>	<b>3</b>	<b>2</b>	<b>11</b>	<b>5</b>	<b>137</b>	<b>379</b>
TAACs*																						
Fellows*																						

Strategic Objective 1: Accelerated Private Sector-Led Export-Oriented Economic Growth

Strategic Objective 2: Increased Participation of Girls in Quality Basic Education

Strategic Objective 3: Increased Citizen Participation in Public Decision Making

Strategic Objective 4: Reduced Fertility

Strategic Objective 5: Sustainable Improvements in the Health of Women and Children

Strategic Objective 6: Increased Access to Sustainable Water and Wastewater Service

Strategic Objective 7: Reduced Generation of Air Pollution

Special Objective A: Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research

Special Objective B: Increased Use of Information Services by the Legislature in Decision Making

Special Objective C: Improved Civil Legal System

Special Objective D: Approaches to Sustainable Tourism Demonstrated

Special Objective E: Improved Human Capacity Development System Linked to Strategic Priority Areas

**TABLE 8.B****Totals by Staffing Category - FY 1999 Target**

Staff	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Strategic Objective 5	Strategic Objective 6	Strategic Objective 7	Special Objective A	Special Objective B	Special Objective C	Special Objective D	Special Objective E	Subtotal S.O. Staff	Support Offices								Grand Total Staff
														Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other	Support Staff	
USDH	25	4	2.5	5	6.5	9	6	0.5	1	1	2.5	2	65	3	1	2	1	1	3	0	11	76
USPSC (OE/TF)	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	6	0	0	1	1	8	9
USPSC (Program Funded)	5	0	1	1	1	0	0	0	0	0	0	0	8	0	1	0	0	0	0	1	2	10
Total USPSCs	6	0	1	1	1	0	0	0	0	0	0	0	9	0	1	6	0	0	1	2	10	19
FSN/TCN Direct Hire (OE/TF)	22	1	0	4	3	1	2	1	0	0	1	3	38	0	5	13	1	0	2	1	22	60
FSN/TCN Non Direct Hire (OE/TF)	44	6	8.5	7	7	15	4	2	4	3	2	4.5	107	1	5	73	1	1	5	2	88	195
FSN/TCN Non Direct Hire (Program Funded)	6	0	2	0	1	6	0	0	0	2	0	3	20	0	6	0	0	0	0	0	6	26
Total FSN/TCN Non Direct Hire	50	6	10.5	7	8	21	4	2	4	5	2	7.5	127	1	11	73	1	1	5	2	94	221
Total FSN/TCN (OE/TF)	66	7	8.5	11	10	16	6	3	4	3	3	7.5	145	1	10	86	2	1	7	3	110	255
Total FSN/TCN (Program Funded)	6	0	2	0	1	6	0	0	0	2	0	3	20	0	6	0	0	0	0	0	6	26
Total FSN/TCN Staff	72	7	10.5	11	11	22	6	3	4	5	3	10.5	165	1	16	86	2	1	7	3	116	281
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	2	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	3
Total FSN/TCN Staff	2	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	3
Total OE/TF Staff (includes USDH)	92	11	11	16	16.5	25	12	3.5	5	4	5.5	9.5	211	4	11	94	3	2	11	4	129	340
Total Program Funded Staff	13	0	3	1	3	6	0	0	0	2	0	3	31	0	7	0	0	0	0	1	8	39
Grand Total All Staff	105	11	14	17	19.5	31	12	3.5	5	6	5.5	12.5	242	4	18	94	3	2	11	5	137	379

Strategic Objective 1: Accelerated Private Sector-Led Export-Oriented Economic Growth

Strategic Objective 2: Increased Participation of Girls in Quality Basic Education

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Strategic Objective 4: Reduced Fertility

Strategic Objective 5: Sustainable Improvements in the Health of Women and Children

Strategic Objective 6: Increased Access to Sustainable Water and Wastewater Service

Strategic Objective 7: Reduced Generation of Air Pollution

Special Objective A: Increased Use of Egyptian Universities in Quality, Demand-Driven Applied Research

Special Objective B: Increased Use of Information Services by the Legislature in Decision Making

Special Objective C: Improved Civil Legal System

Special Objective D: Approaches to Sustainable Tourism Demonstrated

**Notes:**

\* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Orgno.: USAID/CAIRO,EGYPT(TARGET)

Org. Title: 263

**Foreign National Voluntary Separation Account**

Action	FY 98			FY 99			FY 00		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	377.7	0.0	377.7	316.0	0.0	316.0	332.5	0.0	332.5
Withdrawals	16.5	0.0	16.5	0.0	0.0	0.0	0.0	0.0	0.0

Unfunded Liability (if any) at the end of each FY

**Local Currency Trust Funds - Regular (\$000s)**

	FY 98	FY 99	FY 00
Balance Start of Year	15,932.3	15,166.4	15,788.7
Obligations	16,060.0	15,554.2	16,478.3
Deposits	15,294.1	16,176.5	17,058.8
Balance End of Year	15,166.4	15,788.7	16,369.2

Exchange Rate(s) Used 3.40

**Trust Funds in Dollar Equivalents, not in Local Country Equivalents**

**Local Currency Trust Funds - Real Property (\$000s)**

	FY 98	FY 99	FY 00
Balance Start of Year	5,401.8	3,798.7	517.4
Obligations	13,367.8	3,281.3	517.4
Deposits	11,764.7	0.0	0.0
Balance End of Year	3,798.7	517.4	0.0

**Trust Funds in Dollar Equivalents, not in Local Country Equivalents**

Orgno.: USAID/CAIRO,EGYPT(REQUEST)

Org. Title: 263

**Foreign National Voluntary Separation Account**

Action	FY 98			FY 99			FY 00		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	377.7	0.0	377.7	316.0	0.0	316.0	332.5	0.0	332.5
Withdrawals	16.5	0.0	16.5	0.0	0.0	0.0	0.0	0.0	0.0

Unfunded Liability (if any) at the end of each FY

**Local Currency Trust Funds - Regular (\$000s)**

	FY 98	FY 99	FY 00
Balance Start of Year	15,932.3	15,166.4	14,534.7
Obligations	16,060.0	16,808.2	16,478.3
Deposits	15,294.1	16,176.5	17,058.8
Balance End of Year	15,166.4	14,534.7	15,115.2

Exchange Rate(s) Used 3.40

**Trust Funds in Dollar Equivalents, not in Local Country Equivalents**

**Local Currency Trust Funds - Real Property (\$000s)**

	FY 98	FY 99	FY 00
Balance Start of Year	5,401.8	3,798.7	517.4
Obligations	13,367.8	3,281.3	517.4
Deposits	11,764.7	0.0	0.0
Balance End of Year	3,798.7	517.4	0.0

**Trust Funds in Dollar Equivalents, not in Local Country Equivalents**